

**INSIDE: The crisis in Canadian shipbuilding**

# Maclean's

MARCH 18, 1985

CANADA'S WEEKLY NEWSMAGAZINE

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## The Shamrock Summit

**The agenda for the  
Mulroney-Reagan  
meeting in Quebec**

**The President  
states his case  
for closer ties**



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CANADA'S WEEKLY NEWSMAGAZINE

# Maclean's

MARCH 15, 1985 VOL. 98 NO. 11

## COVER

### The Shamrock Summit

A coalition of anti-unionist middle-class demonstrators obligingly provided a demonstration, advance teams secured Quebec City and courtrooms released frantically. It was all part of an unusually elaborate preparation for the unofficial Shamrock Summit between Prime Minister Brian Mulroney and President Ronald Reagan on March 11.

—Page 10



COVER PHOTO: BY TIM ARNDT. ROBERT SCHMIDT/REUTERS

### Bargaining again about arms

In a campaign to win West European and Canadian support for his "Star Wars" program, President Ronald Reagan launched a new diplomatic offensive.

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### Staging a creative rebirth

The opening of Gato is highlighting the resurgence of live theatre in Toronto—and the weak Canadian dollar is attracting huge audiences from New York.

—Page 54



### A campaign for Senate reform

Nearly every Prime Minister has attempted to reform the Senate, and Brian Mulroney is no exception. Last week his proposals for change had a dramatic effect.

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### Steering an uncertain course

Because Canada's \$500-million shipbuilding industry faces a growing oversupply of vessels, many firms are facing bankruptcy—and laying off workers.

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## Hatfield's ordeal

Richard Hatfield has been fraud and mafia in open court and now he is accused of more drug-related offences charges which he cannot properly defend himself against ("Richard Hatfield under fire," *Canada's Newsweek*, Feb. 18). He is left to the mercy of the court of public opinion. He has made his statement of defence on national television and now it is time to get off his back. No amount of accusation and details will ever satisfy us people's minds Hatfield's guilt or innocence on these new allegations. Fair play demands that we let this thing be and allow the man to go on with his life.

—R.J. LUTHELM, Saskatoon

Saskatoon, Sask.

I do not care whether Richard Hatfield has or has not used marijuana or cocaine. Regardless of the outcome, Hatfield has established himself as a significant contributor to our society. Drug user or not, Hatfield has shouldered his responsibilities well. —ronnie mason, Edmonton

## The seal hunt and the CBC

I feel compelled to comment on the CBC production *All Things Bright and Beautiful* ("The fate of the seals," *Teleview*, Feb. 11). Never have I witnessed a more heavily biased and swept piece of propaganda. I was appalled at the manner in which the members of the protest movement were repeatedly misrepresented. Brian Davies and the members of Greenpeace should be recognized as some of the finest and most outstanding



Hatfield: a significant contribution

journalists of our time. Instead, the CBC has chosen to represent them as liars, vile and totally unscrupulous. —TERENCE DALE, Foxborough Falls, Ont.

## Welcoming new technology

The *Maclean's*/*Deakin* Poll (Jan. 7) was very encouraging and uplifting. However, all of it is based on false premises and misleading interpretations to the same extent as the Employment story "Fear and hope in the workplace," than its credibility is in serious doubt. Those who agreed that new technology in the workplace should be opposed were considered by your poll as saying that "unions are doing a good job" and those who disagreed were interpreted as saying that "unions are hurting the economy." The fact is that the Canadian Labour Congress won record as welcoming new technology, provided the workers who will be affected by it are consulted before its introduction to ensure that its benefits also extend to them, rather than hurting them, and that it does not lead to massive unemployment.

—CHARLES BAUER, Public Relations Co-ordinator, Canadian Labour Congress, Ottawa

## Clarification

In a March 11 article about tourists' difficulties in some winter vacation areas, *Maclean's* mistakenly published a photograph of Angelika, Mexico. In fact, the story did not report any tourists' complaints about Mexico. *Maclean's* regrets the error.

Letters are edited and may be condensed. Undersigned supply name, address and telephone number. Mail correspondence is, for info to the Editor, *Maclean's* magazine, Box 1000, Downsview, Ont. M3H 5K6, Toronto, Ont. M3H 5K7.

## PASSAGES

**RECOVERING** Kahlil as-Sin of Toronto's reform Holy Blossom Temple Abraham L. Feinberg, 38, after undergoing surgery to remove a malignant abdominal tumor and a diseased gall bladder on Feb. 12 at St. Mary's Hospital, St. Mary's Feinberg, who married his second wife, gastroenterologist Patricia Stanchard, 47, in 1983, was discharged from hospital last week to his home in Reno.

**DEFECTED** Concert pianist Andrei Gavrilov, 38, a recipient of the prestigious Tchaikovsky prize, during a concert tour in Britain, from the Soviet Union. Gavrilov, who gained international attention through concerts and records, is seeking permission to stay in Britain for himself and for his wife, Natasha.

**FOUND DEAD** U.S. narcotics agent Earl que Camarero Salazar, 37, and Mexican pilot Alfredo Zamora Avilar, near the town of Zamora, 160 km east of Guadalajara, where both had been kidnapped by suspected drug runners on Feb. 7. Camarero, an agent for the U.S. Drug Enforcement Agency, had been working on solving the problems created by the growing drug export business in Mexico since 1980 and he employed the pilot, who worked for the Mexican agriculture ministry, for flying missions. Police said both bodies appeared to have been beaten, buried alive and dug up before being dumped where police found them.

**DIED** Noel Purcell, 64, Irish stage and screen character actor asked for his long white beard and his on-sally rules in *The Blue Lagoon*, *Melody on the Beach* and *Lord Jim*; in Dublin Purcell began his acting career at Dublin's Gaiety Theatre in the 1930s.

**DIED** Purser Olympic rowing competitor John Kelly Jr., 57, a brother of the late Princess Grace of Monaco, of natural causes, while jogging near his home in Philadelphia. Mr. Kelly was president of the U.S. Olympic Committee and he had planned to compete in the Masters Games, a worldwide competition for veteran athletes scheduled to take place in Toronto in August.

**DIED** William Strickland, 54, lawyer, author and Episcopalian layman who harbored Jewish priest Basil Berrigan in 1970 when he was being sought by police for burning draft records, of complications from diabetes, at Rhode Island Hospital, Providence. R.I. Strickland, who advocated equality for blacks, ordination for women and church reform, wrote several books, including *My People in the Swamp*, *Dissenter in a Great Society* and *The Bishop Pale Affair*.



# Why the home on the left shouldn't be heated like the home on the right.

On the left? Bill and Kim, the twin baby Sashes, Alfred their noble St. Bernard, and a hamster named Rob. They've revolutionized their home with an electric plug-in heater, one of the most economical ways to cut winter bills. And they've turned the drafty old attic room into a warm nursery with insulation and inexpensive, easy-to-install baseboard heaters. There's a separate thermostat, so baby's room can be kept at exactly the right temperature without overheating the rest of the house. Alfred, of course, now prefers the new attic.

On the right? Mike and Stella, empty-nesters. They've installed an add-on electric heat pump to help save money and heat their home in winter and they're looking forward to the comfort of air conditioning in summer. It was easy to add, cut their heating costs and adds to the value of their home.

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Age

# The night hockey lost its innocence

By Anthony Wilson-Smith

It began with an explosive blend of rage, bare knuckled and unbridled animosity and it ended in blood and violence. On March 17, 1968, at exactly 9:11 p.m. a spatage lobbed a tear gas bomb into the lower-level seats of the Montreal Forum, where 16,000 people were watching a National Hockey League game between the Montreal Canadiens and Detroit Red Wings. After the panicked spectators fled, their way to the exits, some 10,000 people swept down St. Catherine Street and for the next four hours hundreds looted and vandalized almost every store for 16 blocks. Twelve policemen and 26 civilians were hurt in the melee.

Thirty years later the event is still known to most Quebecers simply as "L'affaire Richard," or the Richard Riot. It is named after Maurice (Rocket) Richard, the legendary Canadian right winger whose suspension by new president Clarence Campbell touched off the riotous, the most violent and one of the most controversial in the history of Canadian sport. Declared writer Elagh MacLennan, who witnessed the night's events, "To understand the feelings of the crowd that night is to understand a good bit of the social conditions of Quebec of the 1960s."

The trouble had begun four days earlier at a game in Boston when Richard took a five-stitch hit on his head after being high-sticked by the Bruins' Hal Laycoe. Richard subsequently slashed back at Laycoe twice and, after Vancouver's Cliff Thompson tried three times to subdue him, sprang at Thompson, biting his face and baring his eye. It was not the Rocket's first brush with trouble as a favorite target of opposing teams because of his scoring prowess, he had already paid more fines (\$2,000) than any other player in the history of the NHL. On March 16, after interviewing the participants, Campbell suspended Richard for the remainder of the regular season and the playoffs.

The decision came at a time when the Rocket was leading the league in scoring and the Canadiens were battling for first place with their game in play. And it struck Montreal's hockey-mad populace with the impact of Richard's famed wrist shot. Banned Cultural Communism Minister Gerald Gidycz, an anti hockey fan "For many of us, it was just another example of French Canadians being pitted on by someone from his own past or other 1960 Campbell's action and then attacked the next night,

from listeners protesting the decision that its anti-bombard justice. One week later newspaper published a cartoon showing Campbell's head on a platter, dropping blood, with the caption: "This is how we would like to see him." Declared veteran sportswriter Jacques Bouchard, now vice-president of public relations for *Journal de Montreal*: "In close to four decades of sports reporting, never, never have I seen anything close to the first night's violence that surrounded this decision."



Outside the Forum, 1968 fury and emotion

The day after making his decision, Campbell, a decorated army veteran and self-described stinkhorn Bowman, decided to ignore admonitions from police and Mayor Jean Drapeau, and attended the Canadiens-Red Wings game. Arriving halfway through the first period, he was escorted by police to his second row box seat and greeted by a deafening chorus of boo and a shower of vegetables, eggs, rubbers, bottles and programs.

As the game continued and a dispirited Canadian team fell behind 4-1, tension mounted. Near the end of the first period a man in his early 20s tossed his way past an older 1960 Campbell's action and then attacked the next night,

landing several punches before two others intervened. Two police officers took the man away and released him shortly after. When the period ended, another young man confronted Campbell and spat out two tomatoes on his chest. Seconds later several dozen people surrounded Campbell's box. Roid MacLennan, who was seated several rows in front of Campbell, "remember knowing with very frightening and distinct certainty that with the mood of the night, absolutely anything could happen. It was like a Roman street."

At that moment, with as go-go-see near Campbell to protect him, the tear gas bomb exploded about eight metres away. Within seconds a chaotic crowd began pushing for the exits, with programs and scarves swung over their faces, while the Forum's gaggle played *My Heart Goes For You*. Campbell, who recognized the tear gas immediately because of his military training, peeled his way down stairs to the first-aid centre. There, after consulting with the head of the Montreal fire department, he decided to forfeit the game to Detroit because of the danger of panic and fire.

Outside, as frightened and excited fans poured from the Forum, they were met by several thousand demonstrators who had been picketing the Richard suspension. In the confusion, several people began throwing sticks of ice, bottles and bricks. Police, with only 200 men available to deal with a crowd estimated at 16,000, stood by helplessly. Over the next four hours the crowd swept east along St. Catherine Street, setting fire to

a newspaper, overturning cars and hurling bricks through shop windows. More than 100 stores were damaged and looted of objects ranging from kimonos to men's pants. Police, who ultimately arrested 70 people, did not quell the last of the rioters until nearly 3 a.m.

The incident made worldwide headlines the following day—with embellishment. One Dutch newspaper headline screamed, "Stadium wrecked, 27 dead, 100 wounded," while the London *New Chronicle* observed, "It is now a matter of grim record that Canadian players are spring leopards compared to these who support them." (By 1969 everyone in Montreal was as quick to condemn the rioters. Drapeau suggested

"I've got my fingers crossed."



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## Cleaning up the remains

Last December about 180 residents of Kangisag, Inuit Bay and other Inuit communities near Ungava Bay in northern Quebec moved southward to undertake a grimy mission. At an inland site near Laurentian Falls on the Canapik River, where about 10,000 migrating caribou drowned last September while fording the raging, record-high waters, the natives began to dig out the frozen carcasses from the snow. Late last month, with the help of an \$80,000 federal grant, they began to tow the bodies onto 14-foot sleds and to tow them, belted powerfully, up the snow-covered hills back to Kangisag. After that, the cargo will be incinerated for disease, then shipped to Montreal to be sold for conversion into pet food, fertilizer and cinders.

Although the project is expected to lose money, the Inuit find compelling reasons for undertaking it. For one thing, said project co-ordinator Willie Watt, fumes and other animals may contract and spread diseases by sampling the carcasses, which would then be not by May if left unattended. As well, the undertaking is creating jobs for about 118 Inuit. Declared Kangisag resident John Dupuis, "It creates employment during a time when people are usually so poor that they can't even log gas to go fishing and hunting."

The cleanup is likely to be completed before the Arctic summer begins to warm in mid-April, and the Inuit are still demanding a full inquiry. Many residents complained that the real cause of the caribou deaths is water released from a spillway at Hydro-Quebec's huge artificial Canapik reservoir 400 km upstream from Laurentian Falls. But so far Quebec Premier René Lévesque has refused to hold an inquiry. Indeed, last month a spokesman for Quebec's fish and game ministry said as a Montreal radio talk show that the department will soon release a report blaming the Hydro-Quebec of responsibility for what it calls a "natural catastrophe."

Still, the Inuit of northern Quebec are adamant that nature is not to blame. Said Mary Simon, president of Makivik, a corporation that represents Inuit interests. "We have seen how the river we know so well has been eating into Hydro-Quebec cut it over, and we do not believe the caribou deaths were a natural disaster." Added Mark Gordon, a vice-president of Makivik. "You cannot just write off 18,000 caribou and say, 'They had it on.'"

—SIL GLADSTONE, with Bruce Wallace in Montreal

## COLUMN

## Replying to Pierre Juneau's reply

By Barbara Amiel

Canadian Broadcasting Corporation President Pierre Juneau in the complex historical. When asked an advanced question, he responds by answering a question of his own choice. He is excellent at deflating himself against charges that have not been made about him, but less adept at coming up with a response to charges that have been levelled. In rhetoric this is called the ignominious device—the art of addressing yourself to something different than the arguments confronting you.

My column last month theorized that members of CBC top management had pulled off a very clever ruse: they had used the budget cuts to reinforce their own position by getting rid of creative people on staff who, because they were there, had also been a bit too independent for the red-bureaucratic mind. I suggested that the "Tie" at the CBC was the top-heavy cultural bureaucracy and that is where the cuts should have been made. The business of the CBC, I wrote, was the removal of the Post by commission, in programming—the rest is housekeeping.

Not every management type at the CBC is a leech on the cultural body politic. Any organization needs doctors to do the necessary day-to-day chores. In CBC terms, the doctors are the management types in categories 1-5. The real I was curious about were the real bureaucrats—management types classified as groups 6-9 who rate the confidential secretaries and run in the office. This group has been slowly expanding, I suspected, while last year's long-standing policy of the CBC to shrink the people on staff.

Since it is the television producers at the CBC who are the footpads of programming, it seemed logical to test my theory by asking the percentage of high management people were more creative than the staff producers. But when I asked the CBC for the figures on management cuts in staff groups 6-9 and their contract equivalents, and the percentage this represented, the answer was first no, they would not tell me.

CBC President Juneau, responded in a letter to Mackinnon citing information for which I had not asked. The CBC, he wrote, had cut a total of 269 management positions—115 of them with salaries over \$45,000. These figures were all but meaningless—except to pro-

duce at Juneau's skill in playing the statistics game in which the adversary gives out the statistics you want but those that sound favorable to him.

All the same, let's take Pierre Juneau on his own figures and look at them in light of accusations that the CBC suffers from top-heavy bureaucracy. Let's look at the figures for the last year. According to Juneau's letter, 85 per cent of the cuts he made were in administration and 35 per cent to network and regional programming. Well, is that good enough? If the problem at the CBC is over-bureaucratization, is it good enough to tell-tighten up time to still make one-third of the cuts from the line—even by Juneau's own account? Shouldn't the cuts all have come from the fat?

Or take Juneau's figure of 115 cultural bureaucracy positions eliminated with the loss of \$8,306. This figure is striking, that the number of absolute bureaucrats cut is larger in absolute numbers.

**'It is vicious and immoral to change the game's rules and penalize people for two decades of bureaucratic laxity'**

That the total number of staff producers (OFT) employed in the English network centre of Toronto. It is telling us that the CBC can afford to cut more highly paid bureaucrats than the number of producers it employs in total in its largest production center. Doesn't that, alone, cut Juneau's own figure, reveal the underlying problem of the CBC?

Of course, Juneau in his letter does not choose to respond to the main problem I raised: the desire of the cultural machine to get rid of creative people staff and put them on contract. The order to control them was more administrative instead. Juneau's dilemma—my opinion—desires to misinterpret a rule that I mentioned. I said that the cuts at the CBC had reinforced the pre-Lévesque status of the corporation and had been an opportunity to get rid of the fine Conservative supporters in CBC programming positions.

"The CBC," writes Juneau, "does not hire or fire on the basis of party affiliation." Of course it doesn't. But while Juneau is pretending to be liberal-minded about this, we all know what I was talking about. At the CBC, the people

affiliated in the most influential creative or administrative positions have been people who—whether or not they had any party affiliation—shared the ideas of Trudeau liberalism. They were the people put in key programming areas: editors whose political ideas were close to conservative thought; were present to the two-headed arms of programming and administration where they were the least protected when cuts came.

In fact, I did make one mistake in my column, but I said that mistake was in Mr. Juneau's finger the CBC's support that he did not correct it. I said that 10 per cent of Toronto English network staff producers were cut. I was wrong. The number of staff producers cut was 26 per cent. The question for Mr. Juneau to answer is: was any thing recently the 86 per cent cut from the English network's high-ranking cultural bureaucracy?

As for the argument that staff cuts were needed to get rid of "deadwood" programs protected by tenure, it should be pointed out that the average age of the producers is 40, the average length of service 30 years. It is vicious and immoral to change the rules of the game at that stage and penalize people for two decades of bureaucratic laxity. There are other ways to solve tenure problems. But do I believe for a moment that the CBC would do that? The "deadwood" if that were the case, the bureaucrats running the CBC have been even more incompetent than in one's widest imagination.

When Pierre Juneau was fired with cutting \$15 million from the CBC budget, he had two reasonable options as the man in charge of public broadcasting in Canada. He could have made an attempt to (a) bring his own figures) cut at 65 per cent of that from the bureaucracy but as close as possible to 100 per cent. Otherwise, and this is the alternative that most people would be considered the real fate of the CBC and the programming, programming and their technical support the reason of the organization be worth.

If after careful consideration he had found that truly responsible, the honorable alternative would have been to say so publicly and resign. Instead of which he chose to provide over the dissolution of public broadcasting in Canada. Perhaps it may be too much to expect a cultural bureaucrat to behave like Winston Churchill, but he should not be too wounded when this is pointed out.

# The Shamrock Summit

By Marel McDonald

**T**he shamrock campaign has been ordered for months. The insurers' angles have already been meticulously plotted. Last week a White House advance team flew into Quebec City to walk through every step of the itinerary for the three-day event December. And a coalition of anti-cruise missile protesters obligingly agreed to schedule

Rougeau and almost half his cabinet on a 26-hour visit to the leader he likes to call "North America's other Irishman."

**Demonstrations:** The date, the site, the agenda and even the inevitable Irish jokes have all been pre-scripted by the continued public relations talent of the Prime Minister's Office and the White House. There so, there was speculation that Rougeau and his entourage might have an unpublished agenda of their own in Quebec City—to receive glowing

Roosevelt met William Lyon Mackenzie King—the first time a President and a Prime Minister had encountered each other on Canadian soil. It was also almost the last time (except for the seven months in 1963 when John Kennedy and Lester Pearson were both in office) that the leaders of both countries actually liked each other, as Mulroney and Reagan do.

As a result, the forthcoming summit will be long on both symbolism and



Quebec City's Chateau Frontenac hotel, where the summit will take place: acid rain, defence and trade improvements

their demonstrations ahead of the guests' arrival to avoid damaging the festivities. "After all, we are specialists," said spokesman Orlan Harvey. Even the threat of a last-minute strike by the Rivière du Québec's provincial police force responsible for controlling traffic chaos and guarding public buildings—was circumvented when Québec Justice Minister Pierre Marc Johnson learned the security detail over to the scene, declaring that he was "not willing to take even half a risk." Indeed, the planners left nothing to Irish luck on St. Patrick's day, when Air Force One will touch down at Québec's suburban St. Yre airport, bringing President Ronald

demonstrations of American-Canadian agreement on defence and trade matters as a means of softening friction between the United States and other allies over these issues. Noted a White House advance man: "Nothing that happens here is accidental."

To that end, a squad of planners and decorators had earlier remodelled the three-room presidential suite in Quebec City's Chateau Frontenac hotel—complete with a hand-made and signed replica four-poster bed—providing a convenient metaphor for refurbished Canadian-American relations. The Québec City site was also carefully selected. There, in 1936, Franklin Delano

Roosevelt, with a record number of bilateral agreements along with the history and Irish hopes that the two leaders have obviously agreed to exploit in their relationship (page 16).

**Stalled:** But skeptics pointed out that beneath the celebratory mood and last-minute suspense over the exact wording of declarations, none of the agreements signed by the two men will be really new, involving the counterparts of them all: an unprecedented understanding to share the costs of a \$1.2-billion update of the Distant Early Warning (DEW) Line radar network across Canada's North. The Pacific alliance treaty that Reagan and Mulroney will rally has



The hotel's main salon and (below) Mulroney and Reagan, Bernier and Galar

been on the negotiating table for 18 years and it was in fact initiated in 1963, but subsequently stalled by the U.S. Senate. Even the announcement that Canada will throw its lot into NASA's \$6-billion manned space laboratory station due for launching in 1992 takes place only two weeks before the March 31 deadline that the President set for allied participation.

**Special:** As well, critics noted that on the two most crucial issues on the bilateral agenda—trade and the clouded issue of acid rain—the declarations will be well-meaning but essentially without the muscle needed to move either issue forward. It is an effort to find some way of glossing over the U.S.-Canadian deadlock over acid rain negotiations from both sides set in slow-motion lawsuits in Washington to search for a gesture that would permit the President to register his concern without betraying his commitment at home to find reassurance into acid rain—but nothing more (page 18). One possibility is the appointment of special acid rain task forces from each country.

**Still,** even that slender note of disagreement was preprogrammed into the scenario. Said Charles Duxon, director of the Washington-based Canadian studies centre at Johns Hopkins School of Advanced International Studies: "There aren't going to be any blockbuster developments. This is a celebration, a kind of high mass to consecrate the renewed relationship that has been dying so well for the past six months

It's ritual, pure theatre."

But Reagan's reasons for dedicating so much time and effort preparing for the event were less clear. For their part, White House and state department officials indicated that the most exhaustively prepared summit in the history of Canadian-American relations might in fact be ahead at a larger audience. Indeed, that speculation was borne out by a confidential memo circulating among the administration's top echelons that fixed the trip's objectives. First on the list of U.S. aims: excellent press coverage.

**Wishes:** In fact, the "Shamrock Summit" will take place only five days after Soviet and American negotiators sit down at a Geneva bargaining table to resume arms control negotiations that Reagan is counting on to leave him with a niche in history as a peace-maker (page 20). In Québec City the White House will stress allies' solidarity at a time when the "re-clear allays" that New Zealand recently exhibited in its refusal to let nuclear-capable U.S. warships use its ports could prove contagious,

or, worse, play into Soviet hands. As a result, U.S. policymakers want to project Canada as an example, not only to Moscow but to other Western capitals as well. Acknowledged an American diplomat in Ottawa: "There is like symbolism of an allied government that now is more forthright in stating its support for the Western alliance."

**Passions:** For Canadians the stakes have always been large in a relationship that former prime minister Pierre Trudeau once characterized as akin to "sleeping with an elephant: one is affected by every twitch and grunt." No two countries are more intimately bound by geography, geography and economic interdependence. And rarely have two countries suffered through such complex, charged and partially painful relations. As *The New York Times* correspondent Andrew Malcolm noted in his just-published book, *The Canadians*, Americans are mystified by the fact that when Canada is not trading against being traded upon, it is complaining about being ignored. President Richard Nixon was astounded at Canadian outrage when he imposed a 10-per-cent surcharge on all imports from Canada in 1971. Nixon did not know that Canada was his country's largest trading partner; he thought that honor belonged to Japan. Indeed, even with Mulroney's new upbeat pro-Americanism, he declared in a pre-summit interview with *Parade* magazine last week: "We get less attention down there than Cuba, Nicaragua, El Salvador, you name it. To get a mention done in Washington you have to be either Wayne Gretzky or a good astronaut."



That has not always been the case. In 1980, Reagan's first year in office, Canadian-American relations reached a low point brought on by the Trudeau government's nationalistic measures—promises to expand the powers of the Foreign Investment Review Agency (FIRA) and enactment of the National Energy Program (NEP). Both infuriated the Reagan administration. One of the President's closest friends, millionaire publisher Walter H. Annenberg, used the pages of his own *TV Guide*, as well as his *Washington Post*, to denounce "Canada's Unfathomable Destructive" War was at thought entirely accidental when reporters learned of remarks by





# Reagan's case for closer ties

In advance of his meeting with Prime Minister Brian Mulroney in Quebec City, President Ronald Reagan presented Mulroney's with his views on Canada's relations with the United States and its commitments in a military ally, including a possible subsidiary role in Reagan's Strategic Defense Initiative. Mulroney, an avowed Star Wars research program, Mulroney's Washington-based chief, Marc McDonald, posed the questions and received responses in writing before a White House meeting with the President last week.

**Mulroney:** How do you think of Canada and what do you see as Canada's importance to the United States?

**Reagan:** No other country in the world is more important to the United States than Canada, and we are blessed to have such a nation on our northern border. Canada is a friend, a neighbor and a trusted ally. We may have a larger population and a larger size, but we're also dependent on you. Canada receives a fifth of our exports, and that's more than any other nation. You use more of our capital than other nations, and, of course, our mutual security interests are closely intertwined. It's up to both of us to make this partnership continue to work in both our interests.

**Mulroney:** How do you see Canada's role as a smaller power in international affairs? For instance, External Affairs Minister Joe Clark will be in Moscow next month as arms control negotiations resume in Geneva. As there are peace talks now in progress with the Soviet Union, is Canada's peace process in Central America?

**Reagan:** Canada has played a significant role in international affairs ever since the Second World War, a role that has reflected the talents of Canadians and the values and democratic values of its people. It has been an active role in the United Nations—indeed, Canadians were among the founders in San Francisco 40 years ago—and has shown time and again that it is prepared to back up its convictions on peaceful settlement of disputes with consistent participation in peacekeeping operations in such hotspots as Cyprus and the Middle East. But I also note that your Prime Minister recently quoted Dante to the effect that the "best place in hell is reserved for those who in times of moral crisis strive to maintain their neutrality." Canadians are not neutral—they believe in

democracy and work hard to protect it. To get down to specifics, I am convinced that the unity and solid support of Western leaders as arms control were the principal factors that brought the SALT talks to the negotiating table. Prime Minister Mulroney has been very helpful, and we feel certain that Mr. Clark

is an ally, but neither how best to defend freedom and democracy.

**Mulroney:** In recent weeks there has been an upsurge over the issue that contingency plans exist to deploy nuclear weapons—specifically B-47 nuclear strike planes—in Canada in an emergency. Is Canada bound to accept these

will convey to the Soviet leaders our continuing resolve to achieve negotiations, verifiable and equitable arms reductions. With regard to the Cortadella process, we value Canadian assistance and I would note that Canadian suggestions on the verification process have been most helpful.

**Mulroney:** What do you see as Canada's role in defense? How did you see the new government cut \$14 billion from military spending, for example?

**Reagan:** When Prime Minister Mulroney was here last September, he expressed his personal commitment to ensuring Canada's role in the Atlantic Alliance and to carry its full share of the allied defense burden. But he and I recognized then, and now, that domestic political pressures affect outcomes. I believe Brian Mulroney shares my conviction that there is no reasonable alternative but to work to protect freedom and democracy. I understand Canada is now conducting a major review of its defense policy and I believe that the review will conclude that the only meaningful defense question facing both our nations is how to meet the challenge now before us. And that challenge is nothing to do with pressure from Cana-

weapons, especially unless the government want some sort of such plans? And what sort of emergency would prompt such a deployment?

**Reagan:** I know that someone recently suggested concerning wartime contingency plans. There have also been suggestions that America is pressuring its allies to accept nuclear weapons. I have two comments to make on these reports. First, over the years NATO has worked out various defense plans designed to strengthen deterrence. But under these plans, any deployment would be carried out only—let me repeat only—with the prior agreement of the status involved. Second, it is contrary to the interest of the alliance and to the individual member states to talk publicly about confidential contingency planning. Such discussions would not serve our shared security interests.

**Mulroney:** If Canada modestly balked at such contingency plans—or refused to allow the further testing of cruise missiles or barred an American ship from our ports as New Zealand recently did—would the United States respond in the same way that it did in New Zealand, that is, threatening consequences including economic sanctions?

**Reagan:** Let me start by stressing that

United States defense co-operation with our allies begins with work with you in this important undertaking. But let's get this straight about the Strategic Defense Initiative. For more than a generation we have believed that no war will begin as long as each side knows the other can retaliate with devastating results. Well, I believe there could be a better way to keep the peace. The Strategic Defense Initiative is a research effort aimed at finding a non-nuclear defense against ballistic missiles. It is the most hopeful possibility of the nuclear age. Nuclear weapons threaten entire populations. The test seeks to end that possibility forever. I was extremely

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Reagan shared peace



control and set rates on the Canadian side of the border. What is the United States prepared to do?

**Reagan:** The United States is a world leader for a cleaner environment. We take pride that our clean air acts, clean water acts, and other comprehensive environmental legislation, have helped to set international standards. We have invested \$30 billion—yes, that's a billion—under our Clean Air Act, and, as a result, the air today is cleaner than in many years. Thousands of sulfur dioxide, a major concern, are down nearly 40 per cent in the last decade. This trend is ac-

**Mulroney:** Much has been made of the various relations that now exist between Canada and the United States. What particularly irked you about the previous government's actions? Now, having made concessions to Canada to repair the warmer relationship, what do you expect of Canada in return? And what would you like to see in the relations with who/for that a warmer relationship means ending our independence?

**Reagan:** You're right to suggest that relations between our two countries are in good shape. But rather than talk about concessions, I believe that what has happened is that we've come to recognize that warm, close relations serve both our interests. As a result, we both have become a lot more effective to each other's concerns, and I don't believe that means either nation becomes less independent.

**Mulroney:** How important is a warm personal relationship among leaders? And what aspects of Mr. Mulroney's personality contribute to the chemistry responsible for this new closeness?

**Reagan:** People respond most warmly to some than to others. We're all human. And I confess that I like Brian Mulroney a lot. He's a true Canadian patriot. He's honest, hard-working, intelligent and articulate—in twelvemaps at that. So, let's just say that the chemistry is good.

PHOTOGRAPH BY AP/WIDEWORLD

# The Irishness of it all

By Ray MacGregor

On a hot Saturday evening nearly two years ago, a telephone call from the 28th of October's Chateau Laurier Hotel. It was June 13, 1988, and only hours after Brian Mulroney's dramatic fourth-ballot victory, giving him the leadership of the Progressive Conservative party of Canada. Mulroney had just changed when he took the call—and realized that the wall-crusher on the other end of the line was Ronald Reagan, who had just learned of the development. The President wanted to tell the new Tory leader that it was "nice to see another Irishman in there."

**Reagan:** In truth, the two North American leaders are as closely related by the prevailing winds of 1980s conservatism as by their ancestors' repatriates from Ireland in another century. Still, the fact that Mulroney and the President share Irish roots, coupled with the avowed contention that their 24-hour sojourn in Quebec City during the St. Patrick's Day, inevitably led to the meeting being nicknamed "The Shamrock Summit." One Canadian Embassy official in Washington had even begun referring to it—*with perhaps a touch more candor*—as "The Irishness of it all."

In the end, a great deal of attention was devoted to the two leaders' Irish ties. Officially, Mulroney's office preferred to play down the Irish side of the meeting. According to Mulroney's press secretary, Bill Pax, "While white Irish theme began as a joke because the men on the White House steps" during the Prime Minister's visit to Washington on his eighth day in office last Sept. 28. Then, they swapped stories, complete with Irish accents, and Reagan referred to his visitor as "the other North American Irishman." But the meeting in Quebec City, insisted Pax, "is going to be serious business."

Still, there was little doubt that it would be a media event as well. And entertainers rehearsing for the gala St. Patrick's Day event that Mulroney planned to host on Sunday night at Quebec's Grand Theatre left room on the program for a skit starring the two leaders. "We're talking about shamrocks," noted a U.S. official, "and sobriety

grew up and where his uncle, Thomas and Jimmy O'Shea, still live. "It is all something I never expected," declared Thomas O'Shea. "I never expected my nephew to become Prime Minister and I never thought I would meet the President."

In fact, little is known of Mulroney's Irish heritage apart from an outline



Reagan and wife, Nancy, in Baileysboro; it was "his casting room after a long play"

known about it. The Reagan White House? Cartographer Brian MacDonaid, for one, who will direct the gala, rehearsed his past of mistakes and set for several weeks.

**Reagan:** As a public spectacle, Reagan's second official visit to Canada (his first was to Ottawa a week before St. Patrick's Day in 1981, and he attended the eight-ounce economic summit that summer in Montebello, Que.) was unlikely to prove a match for the President's highly publicized visit to the tiny Irish village of Baileysboro last year. But organizers seemed certain to draw as every Irish tradition—no matter how trivial—the connection—from the moment the two leaders land at Quebec City's U.S.-owned Laventue airport. Indeed, the landing area is just 15 km from the Quebec village of Shannon, where Mulroney's mother, Mary Ellen O'Shea,

that appeared in journalist L. Ian MacDonaid's best-selling 1984 biography, *Mulroney: The Making of a Prime Minister*. Mulroney, apparently, learned many of the facts for the first time himself when he read the book, a fact that he has—perhaps with a touch of ancestral blarney—publicly denied.

Apparently, the O'Sheas came to Canada in the 1830s, a generation before the large-scale emigration from Ireland during the potato famine of the 1840s. They were followed roughly a decade later by one Peter Mulroney, who appears in records of St.-Catharines, Que., in 1834 when he married Irish-born Ellen Buckley. Mulroney and his wife had 12 children, and three eighth, James, married an Irish girl named Donovan. They, in turn, had 13 children, and now, nearly a century later, their bloodline reaches down to Brian Mulroney, who,

with his wife, Milla, has had three children, with a fourth expected in September.

Peter Mulroney came from the parish of Angellan Bridge in County Carlow, not far from the Ulster border, while the O'Sheas came from County Kilkenny, farther south. County Kilkenny became County Tipperary, the ancestral home of the Reagans. The name of that county was immortalized in the First World War marching song *It's a Long Way to Tipperary*, which was composed in 1918 by an American named Harry Williams. It is a song undeniably based in Brian Mulroney's large repertoire of Irish songs. As a member in his native Baileysboro, Mulroney used to earn \$50 tips by singing the sentimental ballad *Devote* whenever the wealthy Chicago newspaper publisher, Col. Robert McCormick, was visiting his paper with along the Quebec North Shore.

**Reagan:** Information about Reagan's forebears was unearthed after his first presidential election victory in 1980 by the genealogists who work for the British publication *Debrett's Peerage*. They traced Reagan's ancestry to Baileysboro (population 180) in the tiny Tipperary village has never recovered from the discovery. So impressed were the local residents with their link to the White House that the owner of O'Farrell's pub in Baileysboro retained the back room. The Ronald Reagan Lounge. "I can't think of a place on my route I would rather stay as my route more than Baileysboro," declared the President at the start of his brief visit to the village in June, 1984.

But the presidential connection to the village has been challenged. An 1828 church register in the village records in rough handwriting the baptism of one Michael Reagan, who was thought to be the President's great-grandfather. But skeptics who have examined the record agree that the first "s" is missing in the name and that it actually looks more like "Ryan." But those differences have not prevented the President and the village from making the most of each other. Reagan said at the time that he himself guarded the village as a special place. "It's a joyous feeling; it is the feeling before after a long journey," added Reagan. "Today I come back to you as a descendant of people who are buried in proper graves."

**Conversations:** Like the President, Mulroney—who was friends with his friends' acknowledgment a concern that he exaggerates personal details so much. The post-frequently tends to change shape when he talks about it. A notion put out by the Prime Minister's Office during last month's fa-

Harvey Alger overestimated. In fact, Mulroney was born into fairly comfortable circumstances in Baileysboro, where his father, Ben, was an electrician and a farmer for the Quebec-based Shaw paper company in a previous Quebec company town.

Young Ben played the piano at

local-provincial assemblies in Regina gave the impression that Mulroney, in visiting the city, had once worked for a radio station there. In fact, Mulroney had once been employed as a farm Conservative agitator, minister Alvin Hamilton's assistant and ended in all reports of Hamilton's activities to the

Regina station owner. The ships are basically harmless, but Mulroney's political colleagues are sometimes concerned that his glibness and propensity for blarney during the Conservative Quebec period may lead him into political difficulty in pursuit of a monetary laugh.



O'Shea and wife, Mary, arrive, Mulroney reserves

have, were in the town pool, worked at odd jobs in summer and went on to study political science at St. Francis Xavier University in Antigonish, N.S. Mulroney's brother, Gary, and sister, Ellen 23, left, highly distrust his claim of growing up poor as jobs, perfect examples of blarney.

In that respect Reagan and Mulroney have a good deal in common. Even Mulroney's closest friends acknowledge a concern that he exaggerates personal details so much. The post-frequently tends to change shape when he talks about it. A notion put out by the Prime Minister's Office during last month's fa-

**Persuasion:** For his part, Reagan knows his remarkable career by broadcasting his husband's name that he never can. He reported roughly 400 games for radio stations within the Midwest, Iowa, elaborating details of the candidate's own political career typed by a telegrapher who was recording reports from the playing field. That exercise helped Reagan to learn the art of improvisation and to acquire an innate confidence in his persuasive skills once, when the telegraph line went dead, Reagan had a better thing a deal had for nearly seven minutes.

**Reagan:** Each Ronald Reagan and Brian Mulroney appear to be keenly aware that a little blarney can often be more valuable than mere facts. When the two leaders have serious discussions in Quebec City, they will undoubtedly put down the blarney and the blarney that before and after their talks—and particularly if they feel the need to gloss over controversial issues—before the President and the

Prime Minister will almost certainly feel free to use their reserves of Irish magic to diminish their differences, and thus overcome the world that was ever created. It is enough, really, to make politicians of non-Irish descent turn green with envy.

With Barry MacGregor in Ottawa, Anne Mulroney in Quebec City, Mary Ellen MacDonaid in Baileysboro



with

# The political consequences of acid rain



Onco's Ontario smelter: Is a question of doing what is reasonable and necessary

Among the irritants that provide hard feelings between Canada and the United States, few have been as emotionally charged in the past several years as the issue of acid rain—the transboundary nuisance that poisons lakes and withers forests in both countries. Three months before his meeting with President Ronald Reagan in Quebec City on Sunday and Monday, Prime Minister Brian Mulroney said that acid rain deserved to be “at the top of the agenda.” But as Canadian and U.S. officials worked to smooth the way for the talks, there was little indication that Reagan intended to shift his established position against much more than further study and policy consultation. Indeed, Reagan told Mulroney last week that “I believe it is a question of doing what is reasonable and responsible, after getting all the facts” (page 14).

**Consensus:** The two leaders will likely review the two countries' commitment to consult about acid rain, but both U.S. and Canadian officials said there was virtually no possibility of a major combined offensive against industrial pollutants. American authorities said at one point that each side should appear acid rain snags. And a Canadian official, briefing reporters last week on con-

dition is not be named, said that he did not expect “a dramatic breakthrough.” For its part, Ottawa had lobbied assiduously for an effective bilateral accord. In response to accusations in Washington that Canada's own environmental efforts were inadequate, Mulroney noted at a press conference in Ottawa on Feb. 1, “Our predecessors were very good at screaming at the Americans about it, and there is some responsibility there, but there is a responsibility here as well. I believe you clean up your own act first.” Then, his government took steps designed to show that Canada is ready to reduce the pollution that is blamed for generating acid rain.

**Historic First:** Federal Environment Minister Suzanne Blais-Greder was provincial agreement, in what she described as “a historic meeting” last month in Montreal, for a 10-year program to reduce industrial sulphur dioxide emissions by almost half, although cost-sharing

details with the provinces and private industry have still not been settled. (A similar agreement was announced in 1980 in advance of insensitive U.S.-Canada talks on acid rain at that time.) Then, 11 days before the Quebec summit, Blais-Greder announced that Ottawa would contribute \$300 million toward the estimated \$1.5-to-\$2-billion cost of the 10-year cleanup project.

At the same time, the environment minister said that Canada would impose motor vehicle exhaust restrictions—beginning with 1988-model cars and light trucks—matching reduced nitrogen oxide standards already in force in the United States. Sulphur dioxide and nitrogen oxide combine in the atmosphere to produce acid rain. Among the key targets under the program to install modern emission controls are two U.S. smelters at Thompson, Minn., and Copper Cliff, Ont.—North America's largest single sources of sulphur dioxide.

**Reluctance:** But Ottawa's plans still appeared rather modest compared to Washington's clean-up claims. As Reagan told Mulroney's last week in a written reply to a question, “The United States is a world leader in a cleaner environment.” He cited Clean Air Act expenditures of \$150 billion—“yes, that's a billion”—and said industrial sulphur dioxide emissions had been cut by nearly 30 per cent in the past 10 years. As well, Washington's reluctance to accelerate its cleanup is consistent with Canada's based on a many-sided domestic power struggle that pits diverse U.S. industrial, labor and regional interests against each other in a powerful and confusing political contest. Reagan has proposed a substantial increase in spending for acid rain research to \$85 million in the next fiscal year from \$53 million. But the President agrees with

Mideastern coal-burning utilities that clean air must be proven between services there and acid rain damage hundreds of miles away before imposing more limits. Noted Charles Dornan, director of the Washington-based Center for Canadian Studies of Johns Hopkins University: “U.S. political parties are divided on this issue, regions are divided, interest groups are divided. It is a recipe for a stalemate.”

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Blais-Greder cleanup



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A MORE THOUGHTFUL LOOK AT LIFE.

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# A dramatic campaign for Senate reform

By Michael Rose

Since Confederation, most Canadian Prime Ministers have made an effort to reform the Senate. And last month Prime Minister Brian Mulroney launched his attempt—a move to limit the Senate's powers after the 3rd Chamber had delayed approval of a government borrowing bill for two months and it was said how the money would be spent. By last week Mulroney's proposal had expanded to encompass—at least briefly—the prospect of outright abolition. At the same time, provincial governments seized the opportunity to call instead for a fundamental restructuring of the upper house. But by week's end, Mulroney appeared intent on going ahead with a limited reform of the Senate—an accomplishment that would confirm an observation by constitutional expert and former senator Eugene Perry that the only one likely to solve the problem of the Senate is "God making the world afresh."

The issue flared when Mulroney's original proposal for curbing the Senate's powers—by imposing a limit on the length of time that the upper house could delay a bill—was transformed by a single link of prime ministerial chutzpah. In an apparently serious proposal, the Prime Minister raised the possibility of abolishing the Liberal-dominated upper house. As that prospect unfolded over a Commons quarrel, Mulroney began concentrating instead on gaining support for limited Senate reform—

with the prospect of more sweeping changes later on. In that process, the provinces will likely demand a restructuring—perhaps by making the Senate partially or wholly an elected body—to give more representation to the regions. Late in the week Justice Minister John Crook told senators that the cabinet had approved a draft amendment to limit Senate delays of legislation to 90 days. But he also provided backing for a constitutional amendment that could be put before Parliament before the end of the month.

Mulroney's reformist crusade was originally set in motion by the Senate's refusal to pass a bill authorizing \$115 million in government borrowing until spending estimates for the fiscal year opening April 1 had been tabled in Parliament. When the estimates were tabled on Feb. 26, the Senate promptly refused the bill. But Mulroney is the senatorial left it is known that he would seek a constitutional amendment that would prevent the Senate from ever repeating the action.



Turner: the time limit was out after a short refusal to take up the challenge

But the debate shifted dramatically when New Democrat Leader Ed Broadbent called in the Commons for complete abolition. To the surprise of many, Mulroney readily agreed to do just that—if opposition Liberal Leader John Turner would second the motion. But Turner reneged in his seat, refusing to take up the challenge. Later, outside of the Commons, he declared "That's a great democracy issue."

That left Mulroney with his battle reform plan in place. But he found his dramatic challenge to Turner, Mulroney appeared to be retreating from his earlier vow to move quickly on limited Senate changes. Emerging from a meeting of the 100-member cabinet, Mul-

roney said that he would not move against the Senate until he had consulted the provinces. Pressed to say when he would take a bill, Mulroney said "I don't know what the time frame is. We have to deal with the provinces first."

That could prove to be a daunting task. Constitutionally, the Senate's powers could be curtailed only with the consent of at least seven provinces representing 50 per cent of the Canadian population—and even after that the Senate could still delay changes in its powers for 180 days. Although Crook claimed that Ottawa was confident it could obtain the necessary provincial backing, initial responses from provincial capitals suggested that the government might—if popular in Ontario—

encounter a similar problem in the population requirement for amending the Constitution, but would

also need the support of only six provinces instead of the seven required.

Spokesmen in four Tory-led provinces—Newfoundland, Nova Scotia, Saskatchewan and Alberta—indicated that their governments would probably agree to a minor limitation on the Senate's authority, while the Conservative administrations in Ontario and New Brunswick preferred to withhold comment until Ottawa tables its proposals. But British Columbia's Social Credit government, Newfoundlander, Conservative Prime Edward LeBlond and Quebec's Parti Québécois rejected Mulroney's proposal.

Quebec's refusal was based on legal issues. Intergovernmental Affairs Minister Pierre Marc Johnson declared that his province would not support a constitutional amendment until Quebec has agreed with Ottawa on a basis for acceding to the 1982 Constitution Act, which Quebec refused to sign. As a result, when Mulroney telephoned him to discuss the issue, Prime Minister Johnson expressed that he would not block Mulroney's plan for reforming the Senate, but, on the other hand, he would not support them either.

In fact, the question of Senate reform is almost as old as Confederation. Designed to champion regional interests and act as a brake on the legislative actions of the elected House of Commons, the Senate was once transformed into what it is in a large extent currently: a lucrative sinecure—Senators earn \$63,400 in salary and allowances—for faithful supporters of the party in power.

In recent years repeated attempts at significant reform have invariably been ignored, or defeated. In 1973 the Supreme Court of Canada struck down, because the provinces had not given their assent, an attempt by the Trudeau government to replace the Senate with a House of the Federation, jointly appointed by the provinces and Ottawa.

As Mulroney comes to grips with the huge task, a dispassionate view of the kind of political reform the Senate can expect to be faced with a document prepared by one John Napier Turner in 1949. In his thesis in political science at the University of British Columbia, which sits, but is seldom consulted, in the Library of Parliament, Turner asserted that calls for Senate reform surface when the party in power is in a position to be thwarted by an opposition majority in the upper house. But, he added, that usually "seems to be a case of contention where the party balance swings the other way."

For Chris Wells in Halifax, Dan Gyles in Fredericton, Patricia Proulx in Quebec City, and François in Toronto, John Estey in Ottawa, Suzanne Desautels in Calgary and Diane Audette in Vancouver.

# Pursuing postal peace

By Ken MacQueen

The waiter attending to the Rolo's Barby in Ottawa's venerable Chateau Laurier hotel roared the portentously. At one point last week, negotiating terms for both Canada Post



Parrot: an inchworm on job security

and the Canadian Union of Postal Workers (CUPW) were late returning to the table's U-shaped table where they were trying to hammer out a two-year contract for 25,000 inside postal workers and avoid a national strike that could start at the end of this week behind the blood-red window drapes, a winter storm whirled up a frenzy. And a coffee urn that foisted the prearranged bargaining was late arriving. "No champagne today," the waiter concluded.

Despite the oneness—and the days and nights of bargaining over job security, wages and working conditions—relations between Jean-Claude Parrot, the tough-minded CUPW president, and Stewart Cooke, a Canada Post vice-president for labor relations, remained civil. Still, translating cordial relations into a

contract settlement proved to be difficult. For one thing, federal negotiator Stuart was withdrawn from the process early in the week after four months of stalling in the negotiations. Then he presented labor Minister William McKeough with a 44-page report that emphasized the union's emphasis on protecting jobs, but said its reluctance to say job reductions or company employee transfers "is not in keeping with the realities of our present-day economy." His negotiating report also recommended acceptance of the corporation's wage offer. McKeough's release of the report started a labor-law clock ticking toward a March 15 start date for a legal strike.

The negotiator reported concessions by Canada Post on working conditions, including a promise to eliminate redundancies of workers by closed-circuit television. But, while Hart said that he understood the union's "anxiety and regretfulness," he concluded that the corporation cannot afford to reduce the 37½-hour work week by week's end and the two sides claimed to be making steady if slow progress on the key outstanding issues wages and Parrot's insistence on "total job security."

Inside workers, who now make a quantum of \$12,060 an hour, were seeking a 30-cent-an-hour increase over two years, just 14 cents more than the Crown corporation's offer of 75 cents. For the workers, who currently earn about \$20,000 a year in base pay, Canada Post's offer represented a 23-per-cent increase in the first and second years. Parrot was also demanding a 10-per-cent premium.

But job security was the main issue. The union's 38-per-cent strike mandate is a vote by the union membership last month. As well, Parrot wanted that the union has broad public support for its demands. "Who is the public doesn't care in their family, or in their neighborhood, or in their country doesn't have a job right now?" he asked. The union's aim was to prevent Canada Post from making compulsory worker transfers, expanding its force of part-time workers and gradually eliminating full-time jobs from its total work force of 68,300 through increased automation. The union said the program would eventually cost 2,000 jobs. But Canada Post, Hart reported, estimated the loss at 325 and 600 jobs in the next two years in order to eliminate its \$200-million annual operating deficit and fulfill its mandate to become a more self-sustaining by 1989-90. Hart's conclusion on the corporation's financial situation, "Canada Post is in big trouble."

## A search for the whole truth

For the past two years *Andro* General Kenneth Dye has sought to obtain federal cabinet documents on the financial details of Petro-Canada's controversial \$1.6-billion purchase of Belgium-owned Petrofina Canada Ltd. in 1981. Liberal governments led by Pierre Trudeau and then John Turner blocked his initial efforts, claiming that the information was outside Dye's mandate. Then, Prime Minister Brian Mulroney, who has insisted that he is obliged to guard the cabinet secrets of former administrations, turned down Dye's request. But last week the auditor general asked the Federal Court of Canada to give him access to the documents which he says he needs to determine whether Canadian taxpayers got value for their money in the deal. Dye clearly suspects that they did not. In court, he insisted that Trudeau's government may have spent about \$700 million more than was authorized by Parliament.

Ever since the deal was completed four years ago, political and business critics have charged that Petro-Canada, the nation's largest Crown corporation, paid too much for Petrofina's gas and oil reserves, its refinery, gas stations, dis-



Dye: attacking too many bad investments

tribution network and other assets. Although the company's book value was only \$562 million at the time of the purchase, the sale price was officially listed as \$1.65 billion. But in a letter to the Federal Court, Dye estimated that the takeover actually cost Canadian taxpayers \$2.4 billion in direct expenditures and foregone tax revenues—almost four times the original book value of the company. And, said Dye, the total price may have been even higher.

In his opening remarks before Associate Chief Justice James Gauthier, who served as Speaker of the House of Commons during six of the Trudeau years, Dye's chief lawyer, Gordon Henderson, argued that the Auditor General's Act entitles Dye to see certain confidential government documents in order to carry out his duties as Parliament's watchdog over government spending. Henderson at one point charged that the government "ought as well to be Petrofina itself, contained 'enough and herings for a Scandinavian salmonpond.'" And he compared the Mulroney government's stance on the issue to former U.S. president Richard Nixon's attempt to withhold tape-recorded White House conversations from the special prosecutor during the Watergate inquiry. Added Henderson: "The issue here is the construction of Parliament. Does Parliament act as a rubber stamp or does someone in the Privy Council Office who says he can't have the documents act as a veto?"

For his part, Associate Deputy Justice Minister Ian Blane said that Dye's request for the confidential documents was unreasonable. "It is trying to put himself in the cabinet room, when he doesn't belong," argued Blane. He added that Dye's auditing responsibilities do not extend to Crown corporations and that Dye does not have the authority to pass judgment on political decisions such as the Petrofina purchase.

By contrast, Energy Minister Patricia Carney last week released an independent report on the Petrofina purchase which said that Petro-Canada paid only the \$1.65 billion authorized by Parliament for the firm and concluded that that was a fair price. Commissioned by Ottawa last October in an attempt to dispel controversy over the transaction, the report by the Toronto accounting firm of Ernst and Whinney said that the \$1.65-billion premium over the market value that Petro-Canada paid for the shares was comparable to prices paid in private sector takeover deals. But the report did fault Petro-Canada for failing to obtain more information on Petrofina's oil reserves—which had declined prior to the takeover—before making its final offer of \$2.04 a share for the company.

—ANDREW NEWMAN, with Michael Chabon in Ottawa.

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## A Quebec coalition



Lapierre convention

With a provincial election expected in spring or next fall, Premier René Lévesque's Parti Québécois government has been seriously watching its political opponents. The reason: PQ members who voted in January to shelve the issue of Quebec sovereignty in the next election are worried that they may face a new pro-independence coalition at the polls. Last week Camille Laurin announced the formation of the *Rassemblement démocratique pour l'indépendance* (RDI), which the former PQ social affairs minister hopes will attract between 1,500 and 2,000 former *Québécois* to a founding convention to be held in Montreal on March 30. Meanwhile, Robert Bournas's opposition Liberals decided at a weekend convention that if elected they will legally guarantee English-speaking Quebecers control of their social and health care institutions.

## When hope is gone

For 17 years Joe Tim-hung Cheng, 41, worked as a chemist at a federal fisheries department research laboratory in Vancouver, where co-workers described him as "a gentle, sweet man." Then, in November he learned that the lab would be closed on March 31 as part of a \$4-billion federal government restraint measure. Depressed over the impending unemployment, Cheng last week told his wife, his son, 16, his daughter, Janet, 7, and his wife, Mabel, 46, with a baseball bat as they slept in their suburban Richmond home, then cut their throats before smashing his 19-month-old son. He was the fifth murder-suicide since last June in British Columbia, where 228,000 people, or 16.4 per cent of the labor force, are unemployed. Cheng, after applying for several government jobs without success, apparently lost hope of ever finding new employment, although fisheries department officials had agreed to keep Cheng on salary for two months past the original deadline to give him time to find another job. J. Edgar, federal Minister of Fisheries and Oceans John Fraser wondered if his department could have done more had it known sooner about the depth of Cheng's depression. "I take the responsibility," Fraser told a reporter for *Standard Broadcast News* in Ottawa. "I don't doubt the lab. Obviously, I did not know this man's anxiety had reached the pitch he had."

## The fiddlehead feud

New Brunswickers tend to be incredibly proud of their native fiddleheads—the seedling fronds that some gourmets regard as a delicacy. At official dinners in the province, the green protrusions invariably appear on the menu. And since last year a fiddlehead—named for its resemblance to the seedling end of a violin—has graced the province's coat of arms. Last week, to the consternation of New Brunswickers, legislators in the Vermont state assembly introduced a bill that would make the fiddlehead Vermont's official vegetable. Curiously, the bill is being discussed by Vermont's General and Military Affairs Committee, which is responsible for the National Guard and veterans' legislation. New Brunswick's deputy

minister of agriculture and rural development, Tim Andrew, laudably maintained that there is little cause for concern because the Vermont variety, with a fatty growth of tendrils, is inferior to the smoothly textured type gathered in the spring from ditches, often swept clean in New Brunswick's forests. But Paddy Group, head of a morning civic radio program in Fredericton, composed a tongue-in-cheek poem on the fiddlehead dispute and read it on the air. In it Group exhorted New Brunswickers to:

Stand up to the grasping Yankees, I say,  
It's time for the worm to turn;  
You can have the trees, take the damn fish  
But not our beloved ferns.

## A Winnipeg protest

More than 2,000 anti-abortion demonstrators, led by three Roman Catholic archbishops, marched to the Manitooba legislature last week as Premier Howard Pawley's New Democratic Party unveiled its program for a new session. The demonstrators, including schoolchildren and nuns, marched from a downtown cathedral to demand that Attorney General Roland Penner seek a court injunction to prevent Dr. Henry Morgentaler from reopening his Winnipeg abortion clinic this month. Morgentaler was charged with conspiracy to procure an abortion in Winnipeg in June, 1983, but the case has been held up pending an appeal in Toronto of an acquittal there in November, 1984, on similar charges. Inside the legislature the three archbishops made no mention of the abortion issue but pledged that Pawley's government would promote legislation to ban extra-billing by Manitoba doctors, introduce freedom of information legislation and continue to back development of the \$3.8-billion Lanxess hydroelectric project in northern Manitoba. However, the three archbishops refused to reference to another potentially explosive issue that could be crucial to Pawley's government, which must face the election by November, 1986. The Supreme Court of Canada is expected to rule soon on the status of French language rights in the province and it may impose a strict timetable for the translation of about 4,500 Manitoba laws enacted in English alone between 1950 and 1986. That task would be extremely difficult.

## Resuming the hunt



Natives: dedicated

ing grounds. Then, last week about 400 hunters went after mature seals on the pack ice, using rifles. The men claimed that their main objective was to obtain meat, and flogger pole is a regional delicacy. But, if Patrick Rodger, director of the International Greenpeace Foundation, a powerful opponent of the seal hunt—"you have to be an awful dedicated seal hunter to go out on the ice for floggers. It's cheaper to go to the store and buy a beefsteak."



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NEW (center) consulting with Mulroney and Clark in Ottawa preparing for Geneva, an exercise in alliance management

## WORLD

# Bargaining again about arms

By Ross Laver

**I**n the context for the hearts and minds of the Western allies, Ronald Reagan appeared to be winning last week—at least for the moment. Seeking to strengthen his hand for the resumption of U.S.-Soviet arms control talks in Geneva this week, the President launched a diplomatic offensive designed to win Canadian and West European support for his space-based antimissile defense program, a key focus of contention between the two superpowers. But even as the transatlantic lobbying continued, there were renewed Soviet efforts to split NATO by highlighting fears that Reagan's project would upset the balance of strategic nuclear deterrence in Moscow. Soviet Foreign Minister Andrei Gromyko warned his West German counterpart, Hans-Dietrich Genscher, that Reagan's plan would only trigger a new arms race in outer space—"and would thus torpedo the whole arms control process."

**S**uch ambivalence in Washington did not prevent any early breakthrough in the Geneva negotiations. The two superpowers cannot even agree about which side is currently ahead in

the arms race, and each country is deeply suspicious of the other's motives in returning to the bargaining table after a 15-month hiatus. Reagan himself told a group of 20 Republican members of the House of Representatives during a private breakfast at the White House last week that, although he looked forward to the resumption of the arms dialogue, he would not sacrifice his defense program "in the rush to secure any kind of agreement with the Soviets." And at a

senior group of long-range strategic weapons, including intercontinental missiles and warheads launched from submarines or bombers. The second set of talks, chaired by U.S. career diplomat Michael Giltman and Kravchik's former deputy, Alexander Dubinin, will deal with intermediate or theater-range weapons ground-launched Soviet SS-20 missiles aimed at Western Europe and U.S. Pershing II and cruise missiles deployed on NATO territory. A third team, led by

Washington lawyer Max Kampelman and the Soviet Union's Yuli Krutitskiy, will deal with high-technology defensive systems, including Reagan's "Star Wars" project—officially termed the Strategic Defense Initiative—as well as antiballistic missiles and early warning radar systems.

It is not negotiations that may prove most contentious. Alexander Dubinin, joint Secretary of State George Shultz has both said categorically that they will not use their

was a "bargaining chip" and that whatever the outcome in Geneva, research on space-based defensive systems will continue. Essentially, after a negotiation in which both sides relied on the threat of a punitive retaliation to keep the peace—a doctrine known as Mutually Assured Destruction—Washington is now proposing to shift to a new concept based on defensive instead of offensive weaponry.

As a result, most observers expect the talks to produce a long standoff. Said Raymond Garthoff, a member of the U.S. delegation to the Strategic Arms Limitation Talks (SALT) that produced a 1972 agreement and now a senior fellow with the Brookings Institution, a Washington-based think tank. "It is very unlikely that there will be any early progress. In fact, I am not sure that about any agreement being reached over the next several years."

In Geneva, Soviet negotiators are likely to propose deep cuts in offensive nuclear weapons—an offer that West European governments would find possibly twofold as returns for a U.S. pledge to kill the SS-20-Soviet Star Wars research program. If Reagan rejects the Soviet offer, the Kremlin will depict him—and the Americans—as the chief obstacle to an arms control agreement. Explained a U.S. official at NATO headquarters in Brussels: "It will be a test of political leadership on the Western side to contend with public opinion throughout each stage of the talks. We do not want impatience for results to create new muddy waters for the Russians to fish in."

For its part, Washington has undertaken a campaign of "advance management"—a process of elaborate consultation and preparation for Geneva. Last week Reagan obtained a clear offer of support for the new research program from visiting Italian Prime Minister Bettino Craxi, British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl had offered similar endorsements. Said Craxi in a press conference in Geneva: "The security of Western Europe and North America is indivisible and it can only be guaranteed by strengthening the bonds that unite us."

Meanwhile, western arms control negotiators Bar Paul Hain, who will appear at the work of all three U.S.-Soviet negotiating teams in Geneva, visited Ottawa to give Prime Minister Mulroney and External Affairs Minister Joe Clark a rare, face-to-face briefing on U.S. arms control plans. Hain also urged the Netherlands and Belgium to make a joint decision on whether to accept U.S. cruise missiles scheduled for delivery later this year under a NATO modernization program. If the countries vote not to accept them,

said, "I would not necessarily understand [the Geneva talks] but it would not be helpful."

The Soviets, too, were keeping up the pressure. In the most explicit Soviet declaration to date on the Star Wars project, a senior member of the Soviet general staff, Vladimir Chernov, opened a 10-day official visit to the United States by declaring that his country would take countermeasures if the United States continued its space weapons research.



Emitted ballistic system, appeared to win increased support. Only last year Congress was expected to cancel the MX program because the plan to place them in stationary positions would leave them vulnerable to a pre-emptive strike. Critics also contended that the costly transport accuracy of the MX, each carrying 10 warheads, would cause the Soviets to view it as a first-strike weapon with the potential to destabilize the nuclear balance. But last week congressional support for the MX seemed to be building around Reagan's argument that, without the funding, the Soviets would have little incentive to bargain seriously on arms control. Said Reagan: "They will be working to see if we blink."

In fact, even with the MX there will not likely be any serious bargaining in Geneva. Initially, the U.S. delegation of strategic weapons, led by headliner Tevler, is likely to propose deep cuts in each side's nuclear stockpile—perhaps by 30 per cent. When talks break off in November, 1983, the Soviets had proposed a 50 per cent cut from 15,000 missiles and bombers to 1,800 each. But on intermediate weapons the two sides are farther apart. By returning to Geneva the Soviets effectively withdrew their demand that the United States first remove its Pershing II and cruise missiles from Europe. But Moscow will continue to seek limitations on further Soviet deployments and insist that independent French and British nuclear armaments be considered in any final pact. For its part, Washington is anxious that the Soviet demand limit Soviet to-the-basis both in Soviet Asia and Eastern Europe. But U.S. negotiators have been instructed to consider various options rather than sticking with a fixed objective.

The Soviets' main objective is to elicit an agreement under which the United States would sharply cut the SS-20 missiles that it plans to spend on Star Wars research in the next five years. If Washington proceeds with the system, the Kremlin will be forced to allocate vast sums to keep pace with emerging U.S. technology. Indeed, Kremlin strategists may have more confidence in U.S. scientific expertise than many Americans do themselves. Western experts are divided on the issue of whether any system would be able to track and intercept hundreds of missiles. With each treaty on both sides, some authorities foresee a chance for give and take at Geneva. There is, instead, Washington defense consultant Edward Luttwak last week, "a basis for negotiation, a reason for dialogue. You can't expect that the two sides will agree."

—Tom Clavin in Moscow, Peter Geron in Brussels and William Leather in Washington

Lower strategic arms





## A contest with chaos

In the 168 years since Bolivia declared its independence from Spain, its people have become accustomed to upheaval. The country has endured more than 80 changes of government—some by democratic elections, most by military coups. And that figure does not account for more than 130 governments that failed to survive even a single day. As a result, when 15,000 anti-government demonstrators filled the streets of La Paz last week, citizens braved for a Guevara clash with the government of President Hernán Siles Zuazo. It never

For his part, Siles has already suspended interest payments on the foreign debt, and the peso's exchange rate against the U.S. dollar has been lowered six times in the past two years, by 400 per cent last month alone.

Prices rise daily—sometimes hourly—as merchants fight to keep pace with an inflation rate that in three years has soared from 300 to 3,400 per cent. Early last year \$0.090 pesos was the price of a new bicycle. Currently, the same amount buys only a package of cigarettes. Declared labor leader Juan

make unpopular decisions.

Siles's performance has been so ineffective, observers say, that his Movimiento Nacionalista Revolucionario de Imperdables party is expected to lose congressional elections scheduled for June 16. Analysts now predict that the Alianza Democrática Nacionalista, led by retired general Hugo Banzer Suárez, will sweep the vote, especially among the nation's impoverished middle class. "Banzer will return," read slogans painted on adobe walls in Bolivia's major cities and towns under Banzer's military government (1971 to 1978). Bolivia's economy began its dizzying spiral of debt and hyperinflation.

Despite the difficulties there is no firm indication that the military is



Demonstrators in La Paz: the money that could have bought a new bicycle last year now buys only a package of cigarettes

waterfronted. While a handful of trade unions lobbied six weeks of dynamite at the presidential palace, the mass protest against Siles's economic policies ended without serious physical—or political—damage.

Still, the mood in the nation of six million people remained tense. Bolivia's powerful Labor Federation called an indefinite general strike. In response, the government threatened to impose a pre-cognitive state of siege. At the heart of the crisis is the nation's moribund economy. Hardened by a foreign debt of \$6 billion (U.S.) and stagnant demand for its chief exports, tin and natural gas, Bolivia's business is almost at a standstill. Virtually the only active enterprise is the cocaine industry—estimated to earn \$3 billion a year in a trade that Washington is attempting to eradicate.

Leckin: "The conditions for popular insurrection exist. The only thing preventing it is that the people have no guns."

The inheritor of nearly two decades of military government mismanagement, Siles was named president at the head of a left-wing coalition by Congress in 1985. Within weeks his alliance began to break up in disagreement over how to handle the nation's foreign debt and inflation. Since then, Siles has appointed and replaced no fewer than 74 ministers in six different cabinets. Voted by both left and right, the 70-year-old leader lost full assurance that he would swing his post this August, one year ahead of schedule. Still, one Western diplomat: "Siles had a mandate to do something about the economy, but he wasted it. He's tired and unwilling to

about to stage another coup, although Defense Minister Marcelo Chirinos warned last week that the armed forces might be called in to thwart the Labor Federation's bid to bring down the government. Meanwhile, popular anger at the nation's lack of direction seems likely to intensify. Said La Paz housewife Jolita Martín: "There is nobody governing here."

In fact, Siles's administration is disliked by every social class and economic sector and dismissed as the *Desgobierno*—the misgovernment. And, added Gonzalo López, M.D., a political economist in La Paz, if Siles's successors fail to solve the inflation problem, the results could lead not to a coup but to a popular insurrection—and a tragic explosion of human violence.

—CHRISTOPHER NEAL in La Paz



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AF 200mm	1.5	1/100	1.5	1/100	f/2.8
AF 300mm	1.5	1/100	1.5	1/100	f/2.8
AF 35mm	1.5	1/100	1.5	1/100	f/2.8
AF 50mm	1.5	1/100	1.5	1/100	f/2.8
AF 55mm	1.5	1/100	1.5	1/100	f/2.8
AF 70mm	1.5	1/100	1.5	1/100	f/2.8
AF 85mm	1.5	1/100	1.5	1/100	f/2.8
AF 100mm	1.5	1/100	1.5	1/100	f/2.8
AF 135mm	1.5	1/100	1.5	1/100	f/2.8
AF 150mm	1.5	1/100	1.5	1/100	f/2.8
AF 200mm	1.5	1/100	1.5	1/100	f/2.8
AF 300mm	1.5	1/100	1.5	1/100	f/2.8

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Sailboats: more than 60 people died and the economic wreckage was severe

## CHILE

# Havoc on a summer night

For a country already battered by economic crisis and political unrest, it was a devastating blow. On a warm late-summer night last week Chile was hit by its worst earthquake in 15 years. Measuring 7.6 on the Richter scale, the four-minute tremor destroyed portions of several coastal cities and reduced industrial production by 60 per cent. The quake destroyed two important ports, wrecked bridges and railways and destroyed more than 30,000 houses. At least 2,000 injured and more than 200,000 homeless.

Wreck hit where the towns and cities of the central coast, which stood closest to the quake's epicentre in the Pacific Ocean, 40 km from the resort town of Algarrobo. In the coastal communities of Valparaiso and San Antonio, hundreds of buildings collapsed and port facilities were wrecked. "We have no light or water; it's terrifying," said a San Antonio journalist. "Everybody is piling his tent." Although modern buildings in the capital of Santiago remained intact, some of structures in older neighbourhoods were destroyed, leaving the streets strewn with glass and rubble. In one suburb six people were killed and nearly 100 injured when the roof of the San Bernardo Cathedral caved in during mass. Throughout the city thousands of people camped in the streets, afraid to go back to their homes. Returning to the capital from a trip to southern Chile, President Augusto Pinochet urged the public to remain calm and "show solidarity with your brothers who have been hit by tragedy." Then authorities imposed a curfew to 5 a.m. to ensure to prevent looting, declared a disaster area in greater Santiago and San Antonio and cracked down on profiteers who were selling bread, candles and other necessities at two or three times the normal price. Said one shopper: "We have lost everything, and look what they are doing to us."

By midweek emergency aid for quake victims poured into Chile from neighbouring Argentina and Peru. The United States and Japan also offered assistance. But even with foreign help the task of reconstruction will be a long and difficult one. Coming at the height of the harvest, the quake disrupted Chile's \$800-million-a-year fruit export trade, 80 per cent of which moves through San Antonio and Valparaiso. The critical copper industry was also affected, although the giant Chuquibambilla mine, operated by Corporation del Cobre, was not damaged. As well, the disaster was a major setback to an economic recovery program carefully negotiated with the Washington-based International Monetary Fund. Already carrying a foreign debt of \$14.5 billion (U.S.), the Pinochet regime will now have to renege its corporate-bond blueprint for recovery. And any new reserves will likely include more austerity—and more hardship for ordinary Chileans.

—MAUR FOLEY SPOONER in Santiago

## IRANIAN GULF

# An attack on civilians

As swirling storm-warped residents to take cover, Iranian artillery shells rained down on the Iraqi city of Basra last week and slammed into suburban areas of the Persian Gulf port. The attack on Iraq's second-largest city (pop. 1.5 million) in retaliation for a March 4 Iraqi air strike on the Iranian city of Ahvaz, 100 km east of the border, in which 11 people were killed, was a fierce and bloody escalation of the six-month-old war between the two nations. The exchanges, featuring intense Iranian artillery bombardments and dozens of Iraqi aerial sorties, killed or wounded an estimated 500 people and left in tatters a United Nations-sponsored accord signed by the two embassies last June, which suspended attacks on civilian targets. Ignoring international appeals, Iran continued to pour shells into Basra every 10 minutes, while Iraqi planes fired rockets and dropped bombs on four Iranian cities.

The rhetorical exchanges that accompanied last week's fighting were equally uncompromising. Declared Iranian Prime Minister Mohamad Mojtahed: "We are determined that if our cities are attacked we will attack Iraqi cities." Said an Iraqi armed forces spokesman: "We will strike ferociously in retaliation for the barbarism of the Tehran rulers until they stop an end to their cowardly crimes." Neither side, US officials said, appeared likely to back down.

The border war has already claimed an estimated 200,000 lives and caused millions of dollars in damage. These losses in part reflect the inability of either side to break the military stalemate. At the same time, all attempts by third-party mediators, including the UN and other Gulf states, have been ineffective, mainly because of the warring sides' demands. Those include Iraqi withdrawal from Iranian territory, \$200 billion in reparations and the removal of Iraqi President Saddam Hussein. Observers say that Iraq, which started the war in September, 1980, wants to end the conflict, but not on those terms.

For now, the UN effort is stalling principally at securing a prisoner-of-war exchange. Both sides, a UN report charged last month, have treated an estimated 60,000 POWs harshly. As for the war itself, unless Iran softens its demands, many analysts predict that the war will become total war—and, for years of sporadic but indecisive battles.

—JAMES MITCHELL

ONLY FROM THE MIND OF MINOLTA

## The miners' bitter legacy

It was one of the longest, costliest and most violent industrial disputes in the nation's history. And when British and miners officially ended their strike against the state-run National Coal Board last week after almost a year, they left a legacy of both bitterness and relief. The dispute cost the country an estimated \$8.2 billion, disrupted the British economy and divided generations. The coal board itself lost \$1 billion in revenues, while militant miners sacrificed \$140 million in wages and saw their once-mighty National Union of Mineworkers (NUM) reduced to insignificance. Even more troubling, the residue of hostility in Britain's coal-mining areas threatened to linger for years. Said one Welsh miner: "They say time's a healer, but I don't know."

The decision to end the 366-day walk-out was taken at a dramatic emergency union meeting in London on March 3. And, once the walking, singing, stamping, and membership-muster then built the 180,000 miners had broken ranks and returned to work—disputed wages narrowly to go back without a settlement. In effect, the NUM conceded defeat on the main issue: the coal board's plans to

close 20 unprofitable collieries, eliminating about 20,000 jobs. But the NUM's leader, Arthur Scargill, vowed to wage "guerrilla war" against the board, adding, "The strike may be coming to an end, but the dispute will continue."

The return to work was celebrated in many towns with brass bands and by cheering wives, but pickets turned back

*After almost a year of costly struggle the return to the pits was marked by a legacy of bitterness and relief*

returning miners at Scargill's local pit near Barnsley in South Yorkshire. In South Wales, miners refused to work with a "black" list of union members, to his job, and in several areas, particularly in Scotland and England's West country, committed criminals refused to return without a coal board amnesty for 750 miners first because of picket line violence. During the dispute five strikers

are died, more than 1,200 were injured and nearly 10,000 were arrested in clashes with police. But the board refused to reinstate all fired miners and early this week only 300 miners still refused to work.

The Conservative government of Prime Minister Margaret Thatcher carefully avoided claiming an outright victory. Still, most observers interpreted the union's capitulation as a major boost for Thatcher's policy of reining in Britain's militant trade unions. The strike badly damaged both the mainstream labor movement, which failed to rally support for the miners, and the opposition Labour Party, which was criticized for the lawmakers' expressions of solidarity. And within the NUM the collapse seemed certain to produce a challenge to the leadership of Scargill.

A leading Marxist who had called the strike without taking national membership vote, Scargill had turned the dispute into a political assault on the British establishment—government, courts, banks, police and the media. The strategy failed, leaving behind depressed attitudes. "It'll be like 1968," said a police inspector in South Wales, referring to the nation's general strike almost 60 years ago. "Even when pickets are fired and hurt, people will say, 'That's Jesus, the son's son.'"

—MICHAEL GRE

## THE WEST INDIES

## Cutting the Caicos connection

With a tropical climate and rigid bank secrecy laws, the British protectorate of the Turks and Caicos Islands has traditionally provided a haven for bank tourists and tax evaders. Nestled at the northern tip of the Bahamas, 925 km southeast of Miami, the 37-island archipelago has a population of only 8,000. But it boasts the official headquarters of about 4,000 international businesses—attracted by the colony's refusal to levy corporate or personal income taxes and its discreet disinterest in its citizens' sources of revenue. Then last week the island's reputation suffered a serious stain. U.S. authorities arrested Chief Minister Norman Saunders, two other government officials—and Quebec businessman André Fournier—and charged them in Miami with conspiracy to import cocaine and marijuana.

The arrests followed a U.S. Drug Enforcement Agency (DEA) investigation in which undercover agents posing as cocaine smugglers offered to do business, carrying as much as 800 kg of cocaine a week (street value, \$250 million) from Colombia to the United States. According to DEA agent Frank

Chelline, Saunders, 51, Commissioner and Development Minister Stafford Smith and legislative councillor Aiden Smith were prosecuted \$250,000 per trip to ensure safe conduct for the drugs. In return, Chelline said, they agreed to allow the planes to refuel on the islands en route to the U.S. mainland. Fournier, 46, a native of Sherbrooke, Que., and owner of a \$200,000 twin-engine Navajo, allegedly would have received \$775,000 per trip.

At a bail hearing in Miami last week, officials played portions of a videotaped two-hour meeting in a Bermuda inn, during which Saunders accepted \$15,000 (U.S.) from arms informant Fournier. Fournier, 46, a native of Sherbrooke, Que., and owner of a \$200,000 twin-engine Navajo, allegedly would have received \$775,000 per trip.

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man contribute 10 per cent of his earnings to a bank account from which to draw bail money in case of arrest.

Fournier has been convicted in Canada for a minor offense and is now facing charges for stealing electricity from the City of Sherbrooke for a dry cleaning operation that has finally come there. Twice divorced, he maintains one home in Sherbrooke and another \$150,000 residence in the Bahamas.

In Miami last week Fournier was portrayed by the DEA as a big-time drug smuggler with extensive Colombian connections, by his Miami lawyer, Louis St. Laurent, as "a big bagger who did not even know what was going on," and by himself as a simple dry cleaning businessman. However, Magistrate Herbert Shapiro sent Fournier's bail at \$5 million. The highest-ranking foreign official ever arrested in U.S. territory, was fined \$5 million, \$500,000 in cash, each man could face a prison term of up to 30 years.

—PETER KIRWAN OF MONTREAL AND DANIEL ELPER in Miami and



Saunders conspiracy

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## Pulling fangs



Zia still holding control

For Pakistanis opposed to the Islamic rule of President Mohammed Zia ul-Haq, last week's constitutional proposals came as a bitter shock. In a televised address Zia announced amendments to the 1973 constitution that will enable him to keep firm control of the government even after martial law is lifted, in stages, in the months ahead. Zia's proposals, which would maintain the constitutional powers of the president at the expense of provincial assemblies, seemed to negate the results of last month's vote. The election, widely hailed as free of manipulation, drew a 50-per-cent turnout and created the first real parliamentary opposition since Zia seized power in 1977. But with the proposed reforms, observed one local political analyst, "the legislators have been deluged."

## A fatal dessert

For weeks rebel forces loyal to Kampuchea's Prince Norodom Sihanouk watched from the sidelines as occupying Vietnamese forces continued armed rebel camps along the war-torn nation's border with Thailand. Sihanouk himself predicted a Vietnamese attack, claiming that Hanoi was merely using his 10,000-man Sihanoukian National Army (SNA) for "deceit." Last week his forecast proved accurate, as Vietnamese forces laid siege to the last major rebel fortification inside Kampuchea, a mountain-top ANG camp known as Tatum, 300 miles from the border. Hanoi launched thirty-day offensive last November; the Vietnamese have routed troops of the Communist Khmer Rouge and the anti-Communist Khmer People's National Liberation Front. Together with the ANG, the factions form a coalition that is recognized by the United Nations and is dedicated to defeating Vietnamese forces and the puppet government of Prince Sihanouk. But Hanoi's current campaign has finally the alluring prospect of a serious setback. Having pumged the border area, Vietnam was expected to build its own fortifications to prevent the rebels from regrouping inside Kampuchea—forcing them to adopt guerrilla tactics. Meanwhile, Australian Foreign Minister Bill Hayden flew to Hanoi and offered to start an international conference to resolve the six-year conflict. But with the Tatum outpost close to collapse, there was little chance that his mission would succeed.

## Deadly holidays

The din of military helicopters punctuated the silence of the pre-dawn hours. Loudspeakers warned the residents of Balawo in southwestern Zimbababwe to stay in their homes. Then, moving swiftly, thousands of government troops encircled the city's mainly black western townships and began a house-to-house search for weapons and suspected rebels. In a terse statement on the 30-hour operation, a government spokesman said that the aim was to "restore order" and "eliminate the menace in Balawo, the nation's second-largest city. Indeed, clashes between supporters of Prime Minister Robert Mugabe's government and opposition elements have crossed about two dozen districts in recent weeks, as the former British

colony of Rhodesia prepares for elections in June. Its first national ballot since gaining independence in 1980. As the Balawo crackdowns ended last week, Joshua Nkomo, Mugabe's chief rival and leader of the opposition Zimbababwe African People's Union (ZAPU), called the operation an "election stunt" designed to intimidate voters in the Mashonaland region, a ZAPU stronghold, into supporting Mugabe's ruling Zimbababwe African National Union (ZANU). Then, the prime minister revealed that the government had recovered the remaining six foreign tourists' passports seized in 1982. Mugabe added that ZAPU officials "had knowledge of both the abduction and the killing of the tourists"—two Britons, two Australians and two Americans.

## Playing with fire

The tragedy occurred on a Friday, the Muslim holy day. On March 8, as worshippers crowded into a mosque in West Beirut for dusk prayers, a powerful car bomb exploded in the street outside. The blast badly damaged the mosque, ripped the outer wall off an eight-story apartment building, sent nearby cars on fire and gouged a crater in the road. The human toll: 60 dead and more than 300 injured. Lebanese workers writing on the scene found the street filled with acrid black smoke, rubble, dozens of bodies—and panic-mongers. As fleets of ambulances rushed the injured people to hospitals, Muslim worshippers cleared the way by firing automatic rifles into the air. Concerned that the chaos on the street might spread, the United States quickly dispatched two warships from a port in the Mediterranean island of Majorca, in case it became necessary to conduct an emergency evacuation of the approximately 1,000 Americans living and working in Beirut. At the scene of the blast, the worst in war-torn Lebanon in 37 months, officials said the \$20-lb bomb might have been intended for a prominent Muslim cleric, Mohammed Hassan Fadlallah, whose home was located only 100 m from the body-trapped car. Fadlallah, said to be leader of Hezbollah, an extremist Shi'ite Muslim group opposed to a rival Arab faction, was not hurt in the explosion. Immediately calling for revenge, Fadlallah warned, "All those who are playing with fire, their hands will be burned by the flames."

## Absent witnesses



War prosecution problems

Political tension has erupted the Philippines since opposition leader Benigno Aquino was shot dead on Aug. 21, 1983. And last week the controversy fared two presidential advisers from office. President Ferdinand Marcos fired Foreign Minister Arturo Tolentino and accepted the resignation of Labor Minister Blas Ople in an attempt to tighten his grip on his ruling New Society Movement party. Tolentino had challenged two overseas diplomatic postings ordered by the president, and Ople criticized the government for being "heavily dependent on petrodollars." Meanwhile, the lengthy trial of 80 men, including Gen. Fides Vda. military chief of staff and a longtime Marcos confidant, for the murder of Aquino encountered problems when key prosecution witnesses disappeared, a phenomenon that has taken place on several occasions in the past.



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# Steering an uncertain course

By Chris Wood

**R**aymond Powers, a 43-year-old ship welder, has not worked for 11 months in his job at the large 427-m shipyard in Saint John ended abruptly in April, 1984, when the shipyard's owner, Saint John Shipbuilding Ltd., laid off Powers. When his unemployment insurance

benefits ran out last January, the father of three said his income literally ran out. Now Powers is one of 7,000 laid-off workers in the shipbuilding industry and says that he is simply waiting—and hoping—for new orders to revive the yard. But with the \$500-million industry struggling under a worldwide oversupply of shipping, changing technology and cut-throat domestic and international competition, the future for the country's 14,000 shipyard workers is indeed bleak.

The problems of the shipbuilding industry have been developing for years. The former federal Liberal government temporarily eased the problem in 1980 and 1981 when it handed out \$500 million worth of orders for new ice-breaking and fishery patrol vessels under its Special Recovery Capital Projects program. Said Henry Walsh, president of the Canadian Shipbuilding and Ship Repairing Association, "We did not have that, we would be falling all over the place right now." But most of the vessels ordered under the program will be delivered within 12 months. Faced by dwindling orders, the owners of Canada's 35 shipbuilding and repair yards are frantically lobbying the federal government to take steps to protect the struggling Canadian industry from heavily subsidized, low-cost foreign competition.

The malaise afflicts Canada's shipyards from coast to coast. In fact, Powers' employer is one of the more fortunate. Saint John Shipbuilding Ltd. holds a \$18.4-billion contract to build six new

frigates for the Canadian navy. But the yard may not cut the first steel on the warships for another nine months. Until then, it has no confirmed orders to employ its 1,000 tradesmen. The outlook for Halifax Industries Ltd. (HIL) is far less promising. In 1983, when New Hampshire-based Avco International Corp. bought a one-third interest in and took over management of HIL, the new own-

er, by the downturn. Just before Christmas he and his wife had decided to move from their modest Dartmouth, N.S., duplex into a detached home with room for their four children. The couple had picked out a new home. But then his employer went into receivership. Now, he added, "You can't purchase anything of any value, because you don't know how long



Chairman battling cut-throat competition, worldwide oversupply and government neglect

ers tried to rescue the Halifax firm's money-losing order by winning new orders. But although six new federal government contracts worth about \$75 million, its two yards in Halifax and Dartmouth continued to operate at a loss. The company was losing \$200,000 a day when the Nova Scotia government ordered it into receivership on Dec. 12. Now, approximately 480 workers remain on the job at HIL, compared with 1,200 in prosperous times.

Then for those workers who are still completing HIL projects, uncertainty remains the prevalent mood—the previously appointed receivers are currently trying to sell the business. Wayne Clemons, a 41-year-old shipbuilder who still has work at HIL, putting the plates and sections of a ship's hull, for one, was

you're going to be employed."

Other yards, both coastal and on the Great Lakes, face empty order books after current projects are completed. One is the Marytown Shipyard Ltd. in Newfoundland, which employs about 700 tradesmen to repair old ships, complete as \$8-million ferry for the Newfoundland government and strengthen several large fishing vessels for use in St. John's. Current contracts will be completed within one month. In St. Catharines, Ont., Port Weller Drydock expects to lose money for the second successive year because of the drought in ship construction. And in Vancouver the Burrard Yarrow Corp. has laid off two-thirds of its 3,000 work force for lack of orders. "We are trying desperately to find new work," said

Donald Chisholm, president of the firm. But the short-term prospects for new orders that could revive the industry are not encouraging. As much as 30 per cent of the Great Lakes merchant fleet of 183 ships was idle throughout the 1984 season, and the number of transit vessels is expected to climb this year.

New orders for deep-sea ships are even more unlikely. According to the authoritative Lloyd's Shipping Directory, the world merchant tanker fleet now has an overcapacity of about 60 per cent. The oversupply has forced Canadian shipyards to join a ruthless bidding war against yards elsewhere in Europe and in the Orient for the handful of orders still being placed.

So far, Port Masters shipbuilders,

1980s companies offshore oil and gas operators for as much as 80 per cent of the duty paid on vessels imported from foreign shipyards, with the result that three-quarters of the ships in use off the Atlantic coast were built outside Canada. As well, large foreign-built fishing vessels stanch in Canadian waters, complicity duty free.

During last summer's election campaign, Brian Mulroney promised to restore the import duty on large foreign-built fishing vessels and to give Canadian ship buyers access to low-interest financing. Mulroney also said that he would consider changing the Petroleum Incentive Program to encourage offshore operators to buy Canadian. But as Prime Minister he has so

agreed on labor contracts that include valuable job classifications, many dating from the 1940s. As a result, in many Canadian yards a crew of tradesmen often stands waiting for a member of another craft classification to arrive to do a minor welding or wiring job well within the expertise of their own craft. Practice managers decried as "featherbedding."

That same issue is also at the center of a seven-month strike by 1,600 workers at Marine Industries Ltd. of Sorel, near Montreal. Last month the federal government, which owns a \$5-million stake in the yard, threatened to pull out of the strike-bound yard and threatened to pull out a second \$45-million refit contract if the dispute was not settled.

That kind of dead end is beginning to bring a new sense of consternation to both labor and management. "We see a willingness to change," noted Bernard Yarrow, Chairman, who has made the issue of trade flexibility his top priority in discussions with labor at the Vancouver shipyard.

For some firms labor peace and government help may come too late. A shakeout of the industry is already under way. In June this International Inc. purchased Ferguson Industries Ltd. of Pictou, N.S., for an undisclosed price after the yard closed its gates briefly last year when it went into receivership. Two months later a small West Coast yard, Newall Shipyard Ltd., closed indefinitely for lack of work. Said Peter Paul Saunders, president



Chairman dealing with a series of shipyard closings, including layoffs and union intransigence

of Koro, Japan and Singapore. Last week Peter Bell, manager of the cruise systems division of the federal department of regional industrial expansion, and the department is consulting with members of the industry. But he said that its decision will be taken in new policies until later this year.

At the same time, the Canadian yards' problems have also been aggravated by difficult labor relations. For their part, owners of some yards say that the unions are preventing them from switching to new, more productive construction techniques. New computer-controlled steel-cutting and welding equipment, prefabricated construction and other innovations "cut the cost of a ship in half," said Chisholm. But attempts to introduce the new techniques have run

far from taken action on these issues. Last week Peter Bell, manager of the cruise systems division of the federal department of regional industrial expansion, and the department is consulting with members of the industry. But he said that its decision will be taken in new policies until later this year.

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of Bernard Yarrow's parent, Versatile Corp. of Vancouver, leaves the feeling in the industry that there are too many participants. How to fix it is the difficulty.

Many industry spokesmen predict that the nation's shakeout could take on disastrous proportions if the federal government fails to take any protective measures. Said Marysvein Yarrow, president of Burrard Yarrow Corp.: "In a short time the Canadian shipbuilding industry will virtually disappear." If that happens, thousands more jobs than shipyard workers from Vancouver flocked to Newfoundland's Port of St. John's will find themselves, like Saint John's Raymond Powers, "just scraping by."

With Arranger Henderson in Saint John.

# A showdown over import quotas

By Marc Clark

The decision outraged critics and disappointed automakers—but it raised expectations among consumers. On March 1 President Ronald Reagan declared that the U.S. auto industry has now recovered from the recession and is again able to compete with Japanese imports. After four years of "voluntary" quotas against Japanese autos, which limited exports to 3.63 per cent of the U.S. market last year, Reagan announced that the quotas would

industry lobbyists petition government officials to continue the quotas. For their part, Japanese auto exporters, who sold \$1.5 billion worth of cars in Canada last year, argue that the domestic industry is strong and profitable and no longer needs protection. Said Ken Kawano, president of Toronto-based Nissan Auto Co. of Canada and chairman of the Japanese Auto Manufacturers Association of Canada: "The domestic industry has turned the corner. There is no justification for the Canadian government to continue the re-

straints." But domestic automakers officials to continue the quotas. For their part, Japanese auto exporters, who sold \$1.5 billion worth of cars in Canada last year, argue that the domestic industry is strong and profitable and no longer needs protection. Said Ken Kawano, president of Toronto-based Nissan Auto Co. of Canada and chairman of the Japanese Auto Manufacturers Association of Canada: "The domestic industry has turned the corner. There is no justification for the Canadian government to continue the re-

straints say that lifting quotas would save Canadian consumers five to seven per cent on a new car.

Bertram has also led the Japanese to reverse their early strategy of relying on small inexpensive cars as the base of their sales and export more expensive cars to protect their profits. That trend has lessened the supply of small cars. And, according to Statistics Canada, Japanese cars now cost more on average than their domestic competitors. The consumers who were hurt most by the Japanese shift to higher-priced cars have been low wage earners and first-time car buyers. Said Detroit-based analyst David Joseph: "They have virtually been disenfranchised from the market."

Even a strong challenge of quotas—the 1.6-million member United Auto Workers union—acknowledges that quotas have raised car prices, but the union insists that the social cost of lifting them would be even greater. Owen Huber, president of the U.S. wing of the union, described Reagan's decision as "an outrage" that could cost as many as 200,000 jobs in Canada. The UAW's director, Robert White, has warned that up to 40,000 jobs could disappear as a result of competition from Japan.

Domestic industry spokesmen contend that they are not yet strong enough to compete with the Japanese. Said Patrick Lavelle, president of the Automotive Parts Manufacturers Association: "If we let the recovery has just put the industry in a position to compete with the Japanese." Added Bert Berro, Ford Canada's vice-president of public affairs: "If you look over the last six years, our company is still \$48 million in the red."

Indeed, Lavelle, the UAW and Canada's Big Three automakers want Ottawa to prevent the industry from being further leveraged that would force offshore manufacturers to increase their investment in gross sales in the U.S. The obvious health of the North American auto industry is a crucial factor in the debate. In 1980 the big three automakers—General Motors Corp., the Ford Motor Co. and Chrysler Corp.—lost a staggering \$4 billion. But last year the renowned firms in both the United States and Canada had record profits—\$20.6 billion in the United States and \$4.8 billion in Canada. In addition, numerous studies have documented the quotas' harmful effects on competition. According to economist Robert Cusack of the Brookings Institution in Washington, quotas added \$400 to the price of each car sold in 1980—domestic or Japanese—costing consumers \$1.3 billion a year. Some auto-

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Lavelle (right) and GM finance officer Gordon MacDonald, connected dots

## Grilling a defence giant

It is one of the world's largest defence contractors, and its links to the Pentagon have traditionally been the envy of its competitors. General Dynamics Corp., of St. Louis, prides itself on \$1.3 billion (U.S.) a year in sales by providing the U.S. military with such high-technology goods as the Trident nuclear submarine and the F-16 fighter aircraft. But last week Defense Secretary Casper Weinberger announced that his department intended to suspend about \$100 million worth of payments due to General Dynamics over the next 30 days while investigators combed the firm's books for improper billings.

Weinberger suspended the payments after a congressional committee questioned about 400 million, out of \$143 million, in overhead charges which cut into the government's bottom line between 1979 and 1980. Members of the House Energy and Commerce Committee grilled 60 executives about the billings, which included \$118,000 worth of country club dues for one executive, funds for boarding an executive's dog and \$105,000 worth of charges to the Pentagon for trips on corporate aircraft by company chairman David Lewis, mostly to his family farm in Georgia. While GO officials admitted that some of the charges were improper and would be withdrawn, Lewis told the hearing that the company was innocent. That did not appease Pentagon officials. Said defense department spokesman Michael Barish: "We found that General Dynamics' testimony was unimpressive. Some of

the claims were preposterous and way out of the line."

For his part, Weinberger is concerned that public suspicion of billing abuses by defence contractors could undermine his attempts to increase the defence budget by \$20.4 billion next year. As a result, he said that other companies' claims against the Pentagon will also be scrutinized. In fact, the Seattle-based aircraft giant, Boeing Co., was also asked to withdraw approximately \$23,000 worth of a 1983 bill to the Pentagon for \$186,000 in political contributions.

For General Dynamics, the Pentagon inquiry is the latest in a series of government investigations into its affairs. For one thing, the Internal Revenue Service is questioning the validity of \$1 million worth of tax deductions claimed by the company. For another, the justice department is currently studying allegations against CEO by a former company executive, Panagiotis (Taki) Valtiris, who fled to Athens in 1982, just before a U.S. federal grand jury indicted him on charges of accepting kickbacks from a supplier while he was employed by the company.

Now a fugitive, Valtiris alleges that the company submitted grandly inflated invoices to the U.S. Navy for the construction of more than 18 nuclear attack submarines in the 1970s. Meanwhile, the company denies all of the allegations. But for the moment it seems it will have to reduce the amount of government and public service it provides.

—IAN ALSTON in Washington

## Ready on the right for CBS

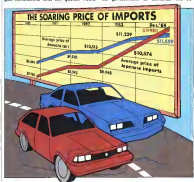
Tall, stooped and balding, his pink face gaudied with determination, Senator Jesse Helms, 61, bottled through the halls of Congress last week. He told a reporter in his North Carolina drawl: "I am a hairy I am a man with a cause." Indeed, the tough-talking politician's and sent treasurers through the boardrooms of Wall Street. In an attempt to strengthen the media giant of conservatism, Helms last November formed a political group called Patriots in Media, which is now trying to take over one of the \$14.8-billion empire and eliminate what the senator calls its "liberal bias." Said Helms: "I want to be Dan Rutherford's boss."

The senator launched his campaign on Jan. 11, when he wrote to one million conservative supporters asking each to buy 50 shares of his stock. Then, perhaps, he said, would give Patriots in Media control of the company. Industry analysts disagreed. They pointed out that the company has 26.7 million outstanding shares. For his part, takeover specialist Michael Sells of F. H. Fitts and Co. Inc., in New York, said that the chances of success for Helms "are between slim and nil."

But Wall Street experts say the right winger's tactics have drawn the attention of other potential buyers. Last month the firm's stock jumped heavily to \$88.50 (U.S.) a share from \$44.50 as rumors spread of a pending takeover bid by Ted Turner, the channeling friend America's top-rated cableman who runs the Atlanta-based Cable News Network and cable superstation WTSP.

Senators about Turner's intentions began after his lawyer, Charles Foy, met Feb. 28 with members of the Federal Communications Commission, which controls the transfer of broadcasting licenses. Last week FCC chairman Mark Goodson announced his own proposals: allow consolidation, which handles the FCC budget, that there is no reason for government to exert barriers in the way of Turner or anyone else who wants to buy CBS. But wary analysts doubted that the right-winger Turner could afford the takeover himself. They said he might join in a partnership—possibly with Helms—to carry it out. For Helms, the most serious right winger in Congress, financial concerns seem to be almost irrelevant. Helms is interested in policy, not profit: It is the network's liberal bias he wants to control—not the balance sheet.

—WILLIAM LOWMYER in Washington



not be renewed when they expire on March 31. The senator, declared Reagan, signalled his country's commitment to "the further liberalization of the global trading system." The decision also increased pressure on trade officials in Ottawa to follow Reagan's lead.

At issue is the lifting of the four-year-old quota system, called the Voluntary Import Restraint (VIR) agreement, which limited Japanese imports to 17.6 per cent of the Canadian market for the year ending March 31. Said David Keating, a senior advisor to federal industry Minister Sinclair Stewart: "It will be considerably more difficult for Canada to continue the quotas."

Indeed, the same source that led Reagan's exhibit unanimously to recommend the lifting of quotas are now being actively debated in Canada as domestic

strains. But domestic automakers want that the Japanese would flood the market if quotas are lifted.

The obvious health of the North American auto industry is a crucial factor in the debate. In 1980 the big three automakers—General Motors Corp., the Ford Motor Co. and Chrysler Corp.—lost a staggering \$4 billion. But last year the renowned firms in both the United States and Canada had record profits—\$20.6 billion in the United States and \$4.8 billion in Canada. In addition, numerous studies have documented the quotas' harmful effects on competition. According to economist Robert Cusack of the Brookings Institution in Washington, quotas added \$400 to the price of each car sold in 1980—domestic or Japanese—costing consumers \$1.3 billion a year. Some auto-

makers have also led the Japanese to reverse their early strategy of relying on small inexpensive cars as the base of their sales and export more expensive cars to protect their profits. That trend has lessened the supply of small cars. And, according to Statistics Canada, Japanese cars now cost more on average than their domestic competitors. The consumers who were hurt most by the Japanese shift to higher-priced cars have been low wage earners and first-time car buyers. Said Detroit-based analyst David Joseph: "They have virtually been disenfranchised from the market."

# Pocklington's miracle debt cure

By Peter C. Newman

**P**oorly Beatty visits Washington this week to discuss detailed applications of the flat-rate income tax the Reagan administration intends to implement during its second term. When or not the Treasury government eventually adopts the scheme, Peter Pocklington, its original Canadian architect, feels confident that the idea he championed during the 1980 Tory leadership campaign is at last being taken seriously. When he first suggested that Canadians keep the first \$15,000 they earn and pay between 17 and 25 per cent tax on the balance, he was treated as if he was trying to resurrect a fair-earnings society.

The Edmonton entrepreneur has had his share of troubles since, but when I dropped in to see him in his downtown lair recently he had just thought up a brand-new approach to economic salvation, designed to eliminate the national debt overnight. The plan, which he has presented to the Prime Minister, would require the Bank of Canada to print as much as \$200 billion in fresh dollar bills, pay off all government obligations, then pour that same day into the gold standard and do away with future long-term borrowing by the public sector.

The dollar would drop and inflation would spiral upward, but we would be debt-free and could carry on with a pay-as-you-go government. "I presented the idea to the American Enterprise Institute that my friend Gerry Ford puts on at Val, Colo., attended by half a dozen heads of state and 45 or so leading members of the Fortune 500," Pocklington told me, "and the bankers thought I was nuts. But the business guys might on, saying that currency is only bookkeeping anyway and that we've been debauching it for years, so why not debauch it a little more?"

Gerry Kinsinger came up to Pocklington afterward and agreed that his scenario might come about, but not in any orderly, prearranged way, pointing out that in all of recorded history there has never been a country that has paid off its debt any other way than monetizing it under great economic and political duress. Of the suggestions he made to Mulroney at a private meeting last month, Pocklington will only say, "Don't know if he'll have the balls to do it. I would like to make Canada one of the strongest, most stable nations in the world with a low [flat] tax rate, no national debt and a dollar tied to gold. Of

course, you would have to put a provision in the Constitution that no future government could tinker with the money supply again, particularly if it happens to be Liberal, socialist or whatever."

When he isn't dreaming up novel schemes to save the world, Pocklington continues to run his reduced but still viable business empire. During his fiscal



Pocklington: 'Debauch it a little more'

Göteborgsmöring in 1985-86 he sold two of his Ford dealerships, folded his Bellars soccer team, lost Fidelity Trust and Patricia Land Corp. and allowed some of his smaller companies to slide into receivership. The total personal loss was around \$75 million, and most Canadian money men wrote him off as one of that group of fast-money speculators who had come up fast and gone down even faster. Except for a \$70-million lawsuit

involving claims by the federal agency that took over Fidelity Trust and an \$18-million bank loan, he claims that all of his legal and financial obligations have been paid off. "We now have \$500 million a year in sales, and our cash flow is the highest it's ever been," he boasts.

Except for the Fidelity mess-up, his greatest regret seems to be the loss of his professional soccer team. "It was a disaster," he sighs. "The reason was poor league management. They wanted to play an indoor and outdoor sport at the same time, instead of going after one or the other. They should have kept the players' contracts down to a maximum of \$40,000; instead we blew as much as \$500,000 per contract on burned-out European stars. I lost \$15 million in four years, but I still think it's a great sport. And women love it—watching all these daisy-looking guys."

Lost in the current Pockington corporate stable is a new real estate company (Harford Holdings, with more than \$50 million in assets), a new energy firm (Crowwell Resources, producing 150 barrels of oil a day at a field near Vernon, Man.), the money-making Edmonton Oilers and three parts of Gainers and Swift he didn't sell off. This includes the recently modernized Edmonton installation, which is the third-largest meat packing plant in the country. Pocklington claims that the Swift Toronto plant, which he sold to its employees for \$2 million plus inventories, would have cost him \$7 million to close because of heavy, union-dictated termination settlements. He still owns the Truggers, a successful professional baseball team, and is busy buying up downtown Calgary and Edmonton real estate at rock-bottom prices.

His personal lifestyle has not changed that much. He did sell \$9 million worth of art and drives a Mercedes instead of a Rolls, but his office is still filled with Randy Carr, he still has his pet boat, still "chats up" Paul Newman and his personal cook prepares his office lunches.

Pocklington's ego-shattering run for the Tory party leadership has only temporarily cooled his political ardor. If Mulroney decided to leave, the Pock party might step back into the race. In the interval, he is a loyal friend and adviser. "I told Brian that victory might be Bala Constan that I was an God damn proud of him that he kept his head and put the whole deal together. I told him that he didn't have to move to the right or the left, but just to look after the folks in the middle. And he has."

## THE MAN

Cam Hurst, head fishing guide, Flumme's Lodges, Northwest Territories. Flumme's big game guide throughout Canada and the Arctic Circle.

"I remember once a clogged gas tank went bad on drifting toward this 70 foot waterfall. By the time I fixed it, we had maybe two chances to start our Merc before going over. One pull did it."

## THE MERC

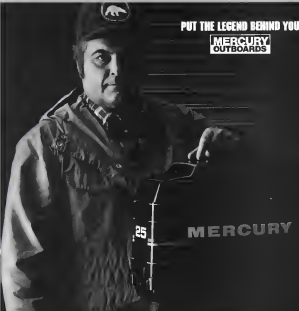
Cam and his 30 guides run the highly efficient Mercury® 18 and 250D models Outboards becoming legendary for their long life and performance. "We take 'em out 8, 10, 12 hours a day, 15 weeks a season."

Then it's cold storage, Arctic style. "We had problems running other makes this way."

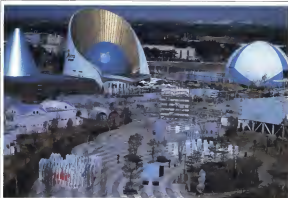
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Tsukuba's Expo '86. *Panor Man* meets *Jumbletron* in a battle for the hearts and minds of a gadget-happy people

## TECHNOLOGY

# A high-tech world of wonders in Japan

By Peter McMill

In the 1950s the label "Made in Japan" usually meant cheap, shoddily made products, many of them glassware and gadgets, inferior to those manufactured in the industrialized West. But the Japanese have since captured world markets with high-quality goods from cars to computers while retaining their fascination with such technological novelties as palm-veiled television screens. As impressive array of the best examples of Japanese power and ingenuity will go on display next week when Expo '86, a futuristic blend of robots and computers, giant TV screens and space rides, opens on a 206-acre site 50 km northwest of Tokyo. And fair organizers are prepared to accept the deluge that the \$2.9-billion high-tech carnival will likely show at the end of its six-month run. Said Expo '86 commissioner general Katsushige Iwano: "The government accepted a deluge. We have accepted it. We want people, children especially, to see the new technologies."

As a result, the spending history of

world fairs—almost all lose money, and Expo '86 in New Orleans ran up a debt of almost \$300 million—is of minor concern to the Japanese. The government and 26 Japanese corporations have divided the costs of the fair and agreed to provide a showcase for Japanese industrial prowess. At the same time, organizers say that they expect the fair will revitalize the area, Tsukuba Science City, the artificial town was conceived 22 years ago but only completed in the early 1980s. Tsukuba has never achieved its planners' goal of molding development from Tokyo and becoming the science capital of Japan. To that end, new roads, hotels and restaurants have been built to enable an expected 36 million visitors—all but one million of them Japanese—to a research center that few Japanese even know exists: *Added Iwano: "We want to gain prestige and promote Tsukuba."*

There are 61 foreign countries represented among the governing pavilions, which rise like an alien colony among the rice paddies below Mount Tsukuba. Despite the foreign presence, organizers

say that they expect the Japanese exhibition to draw the largest crowds. One reason: the 26 companies are about to engage in what one official called "an all-out battle to boost corporate image." Indeed, they have taken the fair's lofty theme—*Dwellings and Surroundings, Science and Technology for Man* at Expo— and produced a vastly entertaining array of high-tech equipment.

At Expo '86 the traditional role of elephants at a fair is filled by a cast of robots. A pavilion built by Fujitsu Ltd., a leading computer company, has "*Panor Man*"—the world's biggest humanoid robot. Built by Fujitsu's sister company, *Panor*, the robot, which stands 15 feet high and weighs 35 tons, will move on to patrolling, walking and putting in wind-ups on an assembly assembly line after the fair closes.

For its part, the Toshiba Corp., which manufactures such items as stereo sets and TVs, has a robot whose delicate tasks include balancing a spinning top on the edge of a sword blade. But Matsushita Ltd., another electronics company, reached back to the beginnings of Japa-



History display and (below) laser beam: organizers remain unconcerned about a potential deluge

nese civilization with lifelike robots representing a \$800-year-old family. Two more robots in the Matsushita pavilion use computers to record visitors' faces and then print accomplished portraits, while Hitachi-based competitors wedge seals and elephants from ice.

Wide—roughly the size of an Olympic swimming pool. But Fujitsu's Cosmos Dome theatre is in many ways even more impressive. There, visitors wear special glasses to view a breathtaking 3-D film on the beam of kumata life. The film system was developed by Telecom-

rent in the late 1970s. That system, which permits visitors to move near information about Canada in either English, French or Japanese by touching parts of a TV screen, is expected to be one of the most popular attractions.

Amid the many amazing, exotic and wondrous technology displays Japanese exhibits, the United States has dedicated its exhibition to a sober display of research into artificial intelligence in computers. In fact, the display challenges the Japanese claim that Japan will create a "Y2th generation" of intelligent computers by 1990.

For the Canadian officials who will provide over Expo '86, a world fair dedicated to transportation, in Vancouver next year, Japan's exhibition is the last chance to see how someone else views after belatedly to Canada's turn on stage. Some Japanese officials have already said that the Canadian competition between the countries has already been won, because Japan is staging a fair that looks to the future while Canada's will deal with present and past technology. And with rumors circulating already that the \$1.5-billion exhibition in Vancouver could lose as much as \$500 million, Canadian organizers are not likely to risk the inept restoration of Expo '85—to spend big and have fun.

With Daniel Wood in Vancouver



Variables on the themes of video and film also figure prominently at Expo '86—especially at the Sony Corp.'s exhibit. Its *Jumbletron*, billed as "the world's largest television screen," documents the view from every corner of the fair and even the surrounding countryside. A huge assembly of liquid-crystal monitors, the screen is 92 feet high and 138

feet wide (MAX Systems Corp.).

Fujitsu also claims to have developed the world's most advanced mechanical translator and visitors to its pavilion will be treated to words in multiple languages in Japanese on special electronic wall pads. Thus, a powerful computer will translate the words into German, English and French. But Fujitsu admits

## New double meanings

By Anthony Wilson-Smith

When successive Liberal and Parti Québécois administrations passed laws in the 1970s making French the only official language in the province, many Quebecers expected that the legislation would help stop the growth of "Franglais"—English words and phrases—in French usage. Now the continued emphasis on a purer form of French—in government communications, on commercial storefronts and in work places—has also wrought subtle but powerful changes in the English spoken in Quebec. Recently bilingual MMA Road Services (Lib., Notre-Dame-de-Grâce), for one, says its first noticed the shift while speaking to English-speaking reporters at the national assembly in Quebec City. Then Scowen recalled how he spoke in his own constituency recently: "There I was speaking as a deputy in my constituency about subventions and modalities. And I suddenly realized that even though I was speaking English, many of the words I was using were French—but all the English peo-

ple seemed to understand them."

Scowen's experience is familiar to many members of Quebec's once-dominant English-speaking community. And as their numbers and influence decrease, more of them are becoming bilingual. As they do so, alternating between French and English, many lapse

***Alternating between French and Quebec leads many Quebecers to lapse into a hybrid—Franglais***

into what linguists have called "Franglais"—English interspersed with frequent French words and grammatical constructions. As a result, an English-speaking union official who refers to himself as an *animateur* (*organizer*) is also likely to say that he could not buy cigarettes at the *dépenseur* (*corner store*) because he neglected to withdraw

money from the *caisse* (*credit union*).

For his part, Alex Manning, a professor of translation at Laval university in Quebec City, has been studying Franglais for the past three years and says that the phenomenon could have major implications for spoken English in Quebec. Said Manning: "The logical conclusion is that there will eventually be another type of English here, understandable only to those who speak it." Added Manning, who also keeps track of French words and phrases appearing in the province's English-language newspapers: "It is traditional that the weaker language of the minority adopts things from the language of the majority. What you are seeing now is the exact reverse of what happened in French in Quebec for so many years."

In 1983 concern for the purity of the French language led Camille Laurin, then Quebec's minister of cultural affairs, to release a list of suggested substitutes for such familiar Quebec usages as "*le smoked meat*" (*le bouef mariné*) and "*le hamburger*" (*le hambourgeois*). And Quebec anglophones have little chance of legislative protection against the spread of Franglais. Said Québec's Communications Minister Gerald Godin: "English will survive in Quebec on its own. You cannot compare the situation with the English language in French in North America."

At the same time, Quebec's English-speaking politicians are among the most frequent users of Franglais. Said Liberal MNA Richard French, who represents Montreal's predominantly English-speaking constituency of Westmount: "It is all too easy a habit to slip into. You work all week in French in Quebec City, and when you come home to explain things to anglophones, you suddenly realize you cannot think of the proper English words."

Other frequent users of Franglais include reporters who occasionally use French words while writing or broadcasting in English. Indeed, the use of Franglais in the press was noticeable five years ago that Montreal Gazette reporter Daniel Drolet and Quebec City theatre manager Laurence Forbes prepared a spoof news report entitled, "If you've read this, you have been assimilated." It contained some of the most extreme examples of Franglais and one sample read: "The work conflict has been a long one and the main revendications of the syndical militants have been for lower estimations, more subventions for pretension beneficiaries and better social advantages." In an extreme English that means: "The strike lasted a long time and the principal demands by union representatives were for lower dues, more grants for social benefit programs and better working conditions."



SCOWEN: HE'S SPEAKING ENGLISH

Scout's Mario-Louise Poiran, a Montreal Gazette office manager who has read the widely circulated satire: "The best, or worst, part is that everybody understood it perfectly."

Such recent polls as one conducted by the Council de la Langue Française (a provincial government advisory body) show that in 1983 almost 40 per cent of young French-speaking Quebecers believe that French is of little use in such fields as science and technology. Those figures, Godin argues, justify concern over the future of French on a continent overwhelmingly dominated by English-speaking people. He denounces anglophone worries about Franglais. Said Godin: "Of course we want English to be spoken properly, but at least [Franglais] gives us an appreciation to anglophones of what we have experienced."

Because 50 per cent of Quebec's anglophones now consider themselves to be at least functionally bilingual, the mixing—and mingling—of the two languages seems likely to continue, a trend that Scowen for one accepts with detachment. Said Scowen: "I guess, ultimately, Franglais is a trade-off. It says to me that I have become someone that much more effective and comfortable in French—and that much less so in English." For many Quebecers the ignorance of Franglais and *franglais* is one of the hidden costs of bilingualism. ☐

**Come home to flavour**

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**NOW IN REGULAR LENGTH**

After a two-month search, *Splash* star **Shelley Long** selected Hawaiian model **Julia Nickson**, 28, to play the female lead of a Vietnamese agent in *Navalie*. *First Blood Part II*, and he later told her, "I cannot believe you got the part." Born in Singapore, Nickson is part Chinese, part British. "But I look Vietnamese in the movie," said Nickson, whose only previous roles were bit parts in the TV series *Masters, P.I.* As well as an Oriental appearance, the part also called for an actress who was physically fit. An athlete in high school, Nickson says she kept in shape by taking ballet lessons while modelling and studying acting in Honolulu. "She told me to make sure I worked out before shooting started as Betty's last September," said Nickson, "so I did, for three hours a day." Claiming that the part was not nearly as strenuous as she thought it would be, Nickson said only her shoes suffered during the four-month shoot. Running through the jungle behind Sly "was easy," she said, "except for the branches that snapped back behind him." Nickson, who says she has married to be an actress "ever since I was a kid," recently moved from Honolulu to the Sherman Oaks area of Los Angeles and she is again exercising. "I want to look fabulous when the movie comes out this spring," she said.

**Eight-time award-winning director** **Geoff Stinger**, 41, whose *Abortion Stories* from North & South won the award for best film at the Nyon International Documentary Festival in Switzerland and in the documentary category at the San Francisco International



Nickson: *Julia Nickson and husband*

Film Festival in California, says she is "the best unknown film director in the country." Currently touring with *Abortion Stories*, Stinger will screen the film in Washington, Paris and Tokyo in March and April, but says she can "hardly wait" to get back to her native Winnipeg for a scheduled August shooting of her first feature film. Based on the autobiographical *True Confessions* by Sandra Goldsch, wife of Canada's ambassador to the United States, **Allen Goldsch**, the movie is a departure for Stinger, whose documentaries have concentrated on such serious topics as native rights, wife beating and abortion. Said Stinger: "Confessions is a story about the experience of a 13-year-old girl in Winnipeg in the 1930s. I spent months with Toronto writer **Jay Tuley** giving him a crash course in Winnipeg."

**Richard Nixon** invited barber **Millie Pitts**, 55, to cut the presidential locks in 1970, and since then Pitts has served every U.S. president except **Jimmy Carter**, who went through a series of barbers during his term of office. A Washington barber for 47 years, this year Pitts is celebrating his 50th anniversary as proprietor of the barber shop in Washington's fashionable Sheraton-Griffin Hotel, where his clients include Defense Secretary **Casper Weinberger** and Secretary of State **George Shultz**. To trim the top heads of government, President **Ronald Reagan** and Vice-President **George Bush**, Pitts drives the two blocks from his shop to the White House. Reagan has his hair cut every 12 days, and Pitts takes credit for removing the perspiration the President uses favored, although most political cartoonists add data on it. Said Pitts: "His hair was too long. When I am styling a president's hair, I look at his face and see what I can do to improve his image." His White House clients pay him his regular fee, \$50 for a haircut and \$25 for a customer tip.

**French actress Simone Signoret**, 63, won a 1959 Oscar for her performance as **Lauren Harvey**'s mistress in *Room at the Top* and the French equivalent, a César, for the title role of an aging former prostitute in *Madame Rosa* in 1975. Now the voluptuous actress has stepped back into the limelight—this time as an author. Her first novel, *Adieu Helena*, published in January in France and last month in Canada, has already sold 130,000 copies. (Harcourt House will publish an English version in the spring of 1986.) A political activist with her husband, singer and movie star **Fred Mercurio**, Signoret had already written two nonfiction books, including her autobiography, *Nostalgia*. Isn't What It Used to Be, before she turned to fiction. Based on her novel on the lives of several interrelated Jewish families and their experiences in France from the 1880s to the 1940s, Signoret says she drew on her life as a performer for inspiration. "As I was writing, I was talking to it. I was in the cinema," said the actress who has claimed that she lives her roles, then discards them like "dresses in a closet. Dialogue is what I live." Said Signoret: "In fact, it is easy to see that this book was written by a woman with 48 years of cinema behind her."

—SERVED BY BETTE LADENKATZ

Pitts (left), Weinberger: a "pompador"



Signoret: *Signoret*

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# "Small businesses create nearly all new jobs in Canada. Gulf Canada urges measures to enhance recognition and reward risks."

John Stoik

President and Chief Executive Officer, Gulf Canada Limited

Most new jobs in the 80s will be created, not by the industrial giants, but by Canada's myriad small businesses.

Gulf Canada buys goods and services from many thousands of these small businesses across the country. Most of our 2,000 and more dealers are themselves independent business people.

As both a customer and supporter of small business, we believe that Canada needs more of the entrepreneurial spirit. We believe that people who have the courage to take risks should be admired, encouraged and given every incentive feasible; for as they succeed, so will employment grow in the coming years.



John Stoik

Economists say Canadian productivity is getting better and that the economy will improve at least a little in the next year.

And yet, large companies are not expected to provide the number of new jobs that they have in the past. Reduced sales and tight profit margins during the recession forced many larger companies to cut back employment. Moreover, new technology, computers, automation have reduced the need for many jobs. In the period 1980-82, for example, there was an estimated net loss of 2,000 jobs among companies with more than 250 employees.

During the same period, smaller specialty businesses in the retail and manufacturing sectors have challenged big companies by being more productive and more cost-competitive.

## Some Canadians who had an idea

*(Selected from The Canadian Business Hall of Fame, awarded by Junior Achievement of Canada.)*

**Henry Marks** 1940-1985

Founder of Henry Marks and Sons

**J. Armand Bombardier** 1907-1984

Inventor of the Ski-Doo

**Seacat Patrick Brown** 1909-1987

Patron of the distal packing industry of Western Canada

**Daniel Davidson** 1980-1976

Founder of Top Tip Tutors

**Timothy Eaton** 1834-1907

Founder of the T. Eaton Company

**B.L.R. MacMillan** 1985-1986

Brought scientific logging to B.C., creating one of the world's advanced forest industries.

Founder of MacMillan Bloedel Limited

**James Armstrong Richardson**

1865-1929

Pioneer grain and livestock dealer

**The Right Economic**

**Lord Thompson of Fleet** 1864-1906

Founded the Thomson organization

**Joseph Vachon** 1906-1985

Revitalized the poultry packing industry

## New jobs in the 80s will be created mostly by small business

There are more than one million small- and medium-sized firms in Canada employing 280 people or less, providing some 4.5 million jobs. We purchase goods and services from nearly 90,000 of them.

The Canadian Federation of Independent Business says that, in the years 1980-82, small companies produced all of the net new jobs in Canada. About one new job in five was created by new firms, less than two years old.

## Entrepreneurial enterprise - a growing Canadian trend

What kind of people are starting new businesses?

They come from all sorts of backgrounds and levels of training and education. For example,



*College Pro Painters Limited® is a young business conceived by Greg Clark. He was working with a large packaged goods company when he got the idea to run his own show. Remembering past summer jobs, he conceived College Pro Painters, creating work for students and a healthy business for himself. College Pro Painters is now a franchised business, making opportunities for other entrepreneurs. With 175 franchises in Canada Greg's idea has generated 4,500 new jobs. In fact nearly all new jobs are being created in Canada today by small businesses. About one in five new jobs are developed by firms less than two years old. Gulf Canada urges this entrepreneurial spirit be encouraged, to boost small business and its great job-generating potential.*

someone with an idea — a home cleaning service, a special kind of restaurant, a new kind of cookie — starts a business on a shoestring and builds it. Or senior executives leave large companies to set up their own operations — a new computer design, a new fast food chain. Indeed, some groups have bought money-losing plant divisions from former employers and turned them around. Thousands of formerly unemployed Canadians have created their own jobs. And some 30 per cent of all small businesses are run by women.

Getting a new business airborne takes a lot of hard work, long hours and the nerve to take chances — characteristics beginning to emerge from the often-conservative Canadian psyche, and notable among new Canadians.

Our governments report a rising number of companies exporting for the first time — small firms making new jobs by tackling new markets.

## Entrepreneurs need encouragement

When asked what the government can do for them, most people

in small businesses would reply, "Please leave us alone to do our thing."

They are weary of the paperwork and red tape that consumes time they would better use making their businesses grow.

If governments truly want to support small business, they should provide a stable economic environment and encourage investment in these enterprises. Canadians have about double the rate of savings as Americans — an average of 12 per cent of income. Despite this massive pool of potential investment capital, investment in new ventures comes mainly from the entrepreneur's personal savings, family and friends.

Incentives for capital formation through breaks on capital gains, tax holidays for funds left in young businesses — these measures could coax out large quantities of the money that is today sleeping in bank accounts across the land.

Steps to simplify small business taxes are already proposed by the federal government, but reforms are also needed for payroll taxes which inhibit job creation. The un-

employment insurance, workers' compensation and pension plans take a hefty portion of business profits at the best of times. But when a business is losing money, the contribution comes directly from the owner's pocket.

## Small business opportunities need to be sold to Canadians

Our educational system could do more to highlight small business. True, some of our business schools are now offering courses in entrepreneurship and small business, but our public and high schools have little to say on the subject. And little is taught about Canadians whose ideas and discoveries have swept the world. Almost all started small (see box). Junior Achievement of Canada operates hands-on business development programs for about 7,000 youngsters in 70 communities across the country.

Our schools could do more to turn some of their more adventurous students away from the comforting safety of large companies and toward more daring, entrepreneurial careers.

Despite some of the obstacles facing small business, the spirit of entrepreneurship seems to be alive and well in Canada. It is a spirit without which we could not function as a country or as a people.

For a copy of an address by John Stoik on the subject of small business, write:

Bob Fennor  
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## Neighboring observations

THE CANADIANS

By Andrew M. Malcolm  
(Pittsburgh & Whiteland,  
368 pages, \$24.95)

As an American—even one with Canadian parents and a job in Canada—really understand this country? Judging by *The Canadians*, an ambitious and pleasantly readable study by *The New York Times*'s former

editor is a fine place, it would be even finer if it were, well, more American.

Most writers reflect their own society's biases when writing about foreign cultures, but that tendency is particularly strong in Malcolm, a proud member of the world's greatest power. He delights in legends for its own sake, and spends a whole chapter musing at the sheer size of the Canadian land mass and its resource potential. As well, he

parents in the Ontario of the 1960s—a slower-paced society where kids did 12 miles and people talked to each other instead of watching television. The book also includes several sympathetic portraits of contemporary Canadians, including William Edwards, the stubborn Toronto printer who is 1896 successfully fought in the courts for the seizure of a Soviet ship to force the Soviet Union to pay a pending bill. Malcolm reports that Edwards's friends criticized his brush-stroke as "too American." Their reaction underlines one of the author's favorite themes: that Canadians have largely been a self-doubting people afflicted with second best. Despite the truth in such accusations, Malcolm has missed something in the phenomenon of Canadian self-depression—a note of irony, a rejection of self-importance, a rebuff of the stifling invasion of Americans.

Malcolm balances his criticisms of Canadians with the claim that he discerns a new "spreading sense in Canada of something for excellence. He lists the growing number of world-class achievements by Canadian athletes, scientists and writers. But his reporting of those triumphs is disappointingly quantitative. It is one thing to mention that Margaret Atwood's fiction "explores the clash of sexes" and that she "inspires more better women abroad than at home." But Malcolm never gives the impression that he has read Atwood or her fellow writers—or benefited from their unique and disturbing insights into the national psyche.

At heart, Malcolm is not as interested in what the best Canadian minds reflect as he is in what the most recent Canadian money can do. The most engaging and well-researched chapters in the book trace the large-scale investment of Canadian businesses and banks into the U.S. market, where they now rank third in overall foreign investment (behind Britain and the Netherlands). Malcolm notes that the Toronto-based development firm Olympia & York is now New York City's second-largest commercial landlord—and he claims that success as proof that Canada is at last coming of age. He even implies that the long-term result of Canadian-American economic interdependence could be a political union. In other words, Canada may soon be given up enough to consider joining the United States.

If Canadians reject such a course it will not be, as Malcolm states, because of an indurated fear of "being swallowed"—but rather because they prefer their own unique way of life. The Canadians are one of the finer books that Americans have written about Canada. But, like all claims would be better off looking to their own writers—and their own hearts—for the best definition of who they are and where they are going. —Jerrold Brenson



Parliament Hill: marvelling at Canada's cleanliness and financial enterprise

Toronto bureau chief, Andrew Malcolm, the reviewer is a highly qualified yet Malcolm scores many valid points when he traces Canadians for their national inferiority complex and prides them for having "the cleanest, most attractive cities and the most imaginative resources and park systems." Yet, despite his seemingly even-handed distribution of compliments and criticisms, the *Canadians* harbors the assumption—never openly acknowledged—that while Cana-

diobly prefers the U.S. system of a strong central government to Canada's, in which provincial powers for outlying those of individual states. And the Canadian belief in a mosaic of many separate cultures and regions—as opposed to the U.S. "melting pot" tradition—gives him good doubts.

Despite his biases, Malcolm reveals a genuine liking for the country. Many Canadian readers will enjoy his sensitive and lucid account of visiting his grand-

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### CONSUMERISM

## Automating gas pumps

Self-service banking is a familiar experience for Canadians who use automatic teller machines (ATMs) to withdraw or deposit money, pay bills and obtain loans. Now, new tests conducted by a major oil company indicate that motorists already used to self-service stations may soon be able to charge their gas purchases by inserting plastic credit cards in computerized machines. During the past three months 300 Imperial Oil employees equipped with special cards have been filling up at a Toronto gas station in the first Canadian test of automated gas dispensing. Imperial Oil is considering a second test later this year, but reaction from its employees has already shown that extending the system would be popular. Disgruntled Imperial spokesman Gregory MacDonald: "We know that customers like it because of their experience with ATMs."

The Canadian experiment took place after two years of research and other tests by Exxon Corp.—Imperial's New York-based majority shareholder—at self-service stations in Houston, Tex., Phoenix, Ariz., and Tuscaloosa, Ala. In Houston, where 10 gas stations have been participating since 1983, motorists using the cards have reacted positively to the convenience of the new system.

As well, sophisticated gas buyers also appear to prefer faster service at self-service stations. Indeed, since Imperial began its Toronto test there have been 39 robberies at area gas stations, with one attendant shot to death and a robber killed by police. De-clared Staff Sgt. Frank Craddock of the Metropolitan Toronto Police Department's holdup squad: "When you eliminate cash, you eliminate robbery."

But because Imperial has no plans to eliminate cash purchases at its self-service outlets, credit card gas dispensing will only reduce the risk of robbery by lowering the amount of money on the premises. The likelihood of fully automated, unattended gas stations is even more remote and it would need an amendment to current Ontario law, which requires at least one attendant to be on duty during operating hours. But other oil companies, including Shell Canada Ltd., are aware of the initial favorable reaction to the credit card system. And as a result, computer bugs once associated with banks' ATMs could soon be familiar sounds at gas stations as well.

—CARLA STRANDBERG

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## RECREATION

### Lineups for live video

It is presented as "the living videogame," a real-life adventure in which the screen is eliminated and the player becomes a part of the picture. Its name is Photon, and it is the invention of George Carter Jr., an American entrepreneur who last March built the world's first life-sized videogame in 10,000 square feet of abandoned office space in Dallas. Now players often line up for hours outside Photon's doors, willing to put on space helmets and power packs and arm themselves with "phaser" guns for a high-tech game of cops and robbers inside the two-tiered labyrinth of dark tunnels, flashing lights, synthesized sound and simulated fog. This spring a second Photon and a competing Canadian game called Star

*In a futuristic version of an outdoor war game, players aim light-ray pistols at one another in a darkened labyrinth*

Blazer will open in Toronto. Spokesmen for both companies say that it is the beginning of a worldwide recreational phenomenon. Declared Gordon Cooper, president of Star Blazer Ltd. "It is the new sport for the new generation."

The idea is a futuristic variation on the outdoor adventure game, an activity that has gained immense popularity over the past several years. Indeed, the owners of Star Blazer—Tom Doherty and brothers Gordon and Richard Cooper—also own the Great Canadian Adventure Game, Canada's largest. Last year 50,000 people visited its 16 locations across Canada, where they armed themselves with pistols and sprayed countless bullets filled with harmless colored gelatin in frantic war games. In Photon and Star Blazer the idea is the same but the ammunition is different. Players fire a narrow light beam from a sophisticated dual-lens pistol which is directed by light sensors from an opponent's chest pack. In Photon a central computer records each hit and cuts power off from the victim's weapon for four seconds while its light tank and stereo speakers inside his helmet resound with electronic moans.

Despite the militaristic appeal of these

and make-believe weaponry, futuristic games proponents are uncondemnable with comparisons made to war games. According to Star Blazer spokesman Dave Garsia, whose company began developing its game two years ago, the concept originated not with war games but with the videogame boom, which inspired them to build a larger, more interactive experience out of a multi-screen game. For his part, James Sylvester, a consultant to Photon Canada Inc., declared "There aren't any precedents here. There is no much as to it. It is more of a living videogame where skill and stealth bring success." He added that the game is a logical step forward in a society in which electronic gadgetry pervades leisure time as much as computers dominate the business world.

Photon has already sold 15 franchises throughout the United States, and Sylvester says that one will soon arrive in Canadian city by the end of the year. Gordon Cooper says that 100,000 Torontonians will visit his company's planet, Kenelek, now being constructed in a suburban shopping mall, during its first year. Added Cooper, who visited Disneyland and the ocean liner—there park within Disneyland which depicts a scientific, educational view of the past, present and future—in Florida to get ideas for Star Blazer. "Everyone wants to be part of the futuristic dream. They want to pretend they are Luke Skywalker or Buck Rogers."

In Photon's pioneering Dallas emporium young men are the most frequent players, but teenage women and business executives also line up to pay \$3.50 for six minutes on the planet's surface. The game is for two teams of 10 persons each, and the object is to find and score points against the enemy's "home base" by firing on it with the light pistols. Various Dallas community groups have already formed leagues, and organizers say that they hope it will replace traditional activities such as bowling as a regular form of exercise. Said Sylvester: "The latest league in Dallas so far is the local Baptist church."

With the Dallas outlet growing more than \$100,000 a year, Sylvester's franchise investment in Toronto's Photon to pay off, as well. The total cost of building a franchise is between \$150,000 and \$400,000, and Photon is now negotiating with companies for franchises in Japan, Hong Kong, Australia and many European countries. Clearly, Photon's promoters are aiming for total planetary domination, but Star Blazer also has territorial ambitions. With three other franchises scheduled to open in the Toronto area later this year, the company also intends to franchise across Canada and in the United States. For Buck Rogers, it would have been a living nightmare.

—PAUL BRITTON

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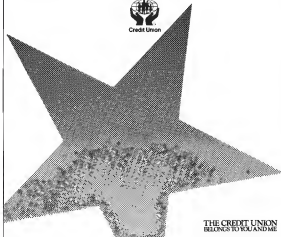
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### THE ARTS

## Soldiers in the cultural battle

By Mary Janigan

One after another, 27 adignant speakers trooped onto the stage at Vancouver's Queen Elizabeth Theatre to denounce arts cutbacks and the governments that made them. "You need as much as we need you," pointed Jack Shadbolt observed, directing his remarks at politicians as he addressed 1,200 supporters last month. That fiery message has fuelled a series of artists rallies scheduled from coast to coast this month. They are a sign of growing militancy in the traditionally apolitical arts community. And they have forced federal Communications Minister Marcel Masse to combat his own lobby to convince those disaffected groups that he is on their side.

Masse faces an arts lobby that is fiery, determined and national in scope. At least three major alliances are organizing across the country to protest against federal cultural cutbacks of more than \$300 million. Five major rallies took place last weekend—in Charlottetown, Montreal, London, Winnipeg and Edmonton—and six more are planned later this month. As well, more than 100 artists, including novelist Mordecai Richler, plan to be in Ottawa on March 20 for meetings with Ottawa policymakers.

After a rocky start in his portfolio, Masse has mounted an effective counteroffensive. Slowly, he has begun to meet with artists, using their economic data to bolster his arguments to cabinet against further cutbacks. Indeed, they inspired protest that the arts will emerge unscathed in the spring federal budget. Said one insider: "He is a very powerful minister, and I think the cultural community will learn it has a friend."

Despite fiery talk of peace, the arts scene itself has boxed itself for war. The first protest group, the Alliance for Canadian Broadcasting, came to the scene at an Ottawa press conference on Jan. 29. It was the brainchild of the Association of Television Producers and Directors, which requested the support of such celebrities as author Pierre Berton after 32 of 167 staff producers lost their jobs during the recent round of cuts. Now the group is planning two half marathons in Toronto and Ottawa. The alliance, the most lobby group, admits that it cannot reverse the current cut of \$85 million from the 1985-86 CBC budget. But it demands that there be a full public discussion as well as no further cuts. Said film producer Ray

Hansen, president of the association: "Let us make sure that when we tighten our belts we do not strangle the corporation or the cultural life of the country."

The second key protest group, Friends of Public Broadcasting, announced staff in a two-page advertisement in the Feb-

ruary supporters in Halifax on Jan. 27 and it has scheduled rallies in every province. On March 20, 500 artists plan to gather in Ottawa, attempting to meet with Mulroney, the two opposition leaders and other key politicians. The group is also preparing a vital brief on the economic contribution of the arts: the backbone of industry in the 11th largest in Canada, employing four per cent of the work force and spending 55 cents of every revenue dollar on wages. Said Brian Archibald, outgoing director of the Canadian Conference of the Arts. "On the one hand, we have a genuine, spontaneous grassroots uprising; and, on the other hand, we are giving them the facts that they need."



Masse: growing militancy, defined aims

That strategy—coupled with the efforts of other lobby movements—signifies to be working. Masse has met with four major arts organizations in the past four weeks in an unprecedented gesture, he admitted an arts representative, Curtis Barlow, president of the Canadian Conference of the Arts, to next week's national assembly meeting with business and labor. Masse will ask non-partisan public figures to conduct a public review of broadcasting policy. And he has set up an interdepartmental group to lead a review of arts activities through the maze of federal assistance programs. As well, Masse has begun to quiz the cost/fee's economic statistics in public and in cabinet, while collecting more figures to make the case that the arts are a booming growth industry.

For his part, Barlow said he is "cautiously optimistic." But most members of the arts community remain sceptical. Bob Baker, chairman of last weekend's Edmonton rally and artistic director of the Phoenix Theatre, added an ominous warning: governments need to know that if they are too far, we are a force to be reckoned with." It is a threat that the artists Masse has heard—and has clearly heard. □



# Staging a creative rebirth

By Mark Czarnecki

For many years observers of Toronto theatre have looked back to the dynamic early 1970s as a lost golden age. But now a creative renaissance for the city's 45 theatre companies may be in the making: in the past month alone there have been 25 openings across the city. And the variety is astonishing, including *Topoglossa: The Reddest Woman in the World*, about a circus performer, *Murkin*, which deals with 17th-century Jewish mysticism, and a Toronto production of the musical *Boyz n the City*. Matching the artistic outburst is a

Herbert Whitman, drama critic emeritus of *The Globe and Mail*, that development helps to make challenging legitimate. Solid Whitaker: "Audiences no longer feel they have to stay to spend an evening facing a stage."

Much credit for these high standards goes to the active presence in the city of the Shaw Festival and the off-scenists, away from its summer home in Niagara-on-the-Lake. Early in 1988 the company's triumphant production of *Cyanoide Bergeron* played to sold-out houses at the Royal Alexandra Theatre. The festival also has a reproduction of Michael Newer's *Goodnight, Beethoven*, about

frustration of popular professions which must retain their original status—in a constant problem in Toronto. But the Ontario government says that by supporting the renovation of a disused 1,600-seat theatre, the Elgin, where previews of *Cats* started last week, it has provided a solution.

After four years of false starts, restoration has finally begun as the first stage in a \$20-million project to renovate both the Elgin and the recently donated 1,200-seat Winter Garden directly above it. Still, some Toronto theatre companies that might benefit from the project say that the Elgin's size does not make it a good transfer house. Solid Thornton points to *Shogun* Heitzi: "They keep trying to tell us that Toronto's large population and tourist trade mean lots of commercial potential, but it's untrue."

Conversely, the almost guaranteed national tour immediately in *Cat* is seen to be a Toronto production. Tina Vanderheyden and Marlene Smith are responsible for the Toronto production of Andrew Lloyd Webber's musical based on the poetry of T.S. Eliot, which has already grossed more than \$80 million. Vanderheyden believes that *Cats* will broaden the audience for theatre in Toronto and encourage further separate productions of New York hits. Said Vanderheyden: "*Cats* will open many new doors for everybody." But playwright Erik Ritt (*Unleashed*) does not believe that *Cats* is a solution for Canadian theatre. Said Ritt: "Supporting *Cats* is not a reflection of Canada's theatrical maturity. If it plays into *Cat* in *Love* had spent the Elgin, that would have been a real breakthrough."

Meeting a spectacular musical is just one of several brave new initiatives on the Toronto scene, including the debut of two new companies—Shoreline Theatre's *Company Theatre* and Ken Glick's *Canadian Ship*. A company from the British theatre scene who accepted his last to fringe auditions in favor of a low office percentage, Rombold opened his season with an ambitious adaptation of Melville's *Moby Dick*. Glick, who founded Factory Theatre in 1970, wants to do a *Cat* like work as well as the revival of quality Canadian plays which never received sound productions. Canadian Ritt's first show, *Conversations*, was a new work in a touring production from Quebec City's Théâtre Repère. Unfortunately, both *Conversations* and *Unleashed* are scheduled to be the first major play by John Herbert since his *Portrait and Men's Eyes*—received mixed reviews. But success like *Moby Dick* and *Unleashed* demonstrate that the season's intriguing diversity is its greatest strength—sufficient, perhaps, to drive out the ghost of the 1970s frontier.



Scenes from *Cats*: a plethora of new productions and an upturn in attendance

significant upturn in audience interest. Toronto playwright George F. Walker's new work, *Criminals in Love*, is enjoying an extended run of more than 100 performances since it opened last November. Said critic Don Rubin, founder of the Canadian Theatre Review: "The quality of theatre is much better than in the 1970s—the new generation's taste has come."

Among the many reasons for the resurgence in the \$15 dollar Factory Theatre reported a huge influx of patronage from New York state after a review of *Criminals* appeared in *The Buffalo News* in April. Five Star Theatre, which sells tickets at half-price on the day of the performance, reports that sales are up 25 per cent over last year. But the greatest catalyst of renewed interest has been high-quality production standards. According to

novelist Malcolm Leary, currently touring at Toronto Free Theatre, while several actors from the festival are starring in Derek Goldie's superb version of Chekhov's *Uncle Vanya* at Theatre Theatre. But several other productions, including *Murkin* and *Boyz n the City*, are inventive portraits of the corporate mentality, have drawn critical raves.

Still, the success of theatre across the city has created problems of its own. Such midsize-size companies as Toronto Free and Thornton have consistently produced artistic successes this year without being able to replicate or then. The limited runs dictated by the pre-arranged dates of a subscription season forced Toronto Free to close down *Shogun*. Polack's frequent member *Don* and the Jacobson tragedy *The Champagne*, despite full houses, the absence of a "transfer house"—a theatre for the

# Beauty beneath the skin



Cher, Sara Elliott: the bond between an unlikely mother and her disfigured son

MAKING

Directed by Peter Bogdanovich

There is a startling moment in *Mak* when Rocky Dennis stands in front of a fan-house mirror. As she goes into the glass world that has been distorted, but the reflection Rocky sees is that of a normal teenager. Rocky (Sara Elliott), based on a true character, suffers from an extremely rare disease called craniofacial dysplasia, which produces extreme disfigurement at an abnormal rate throughout the skull. The result is that Rocky's face is like a mask, its skin stretched over a wide mass of bone, the teeth malformed, nostrils rather than fully defined nose. On the surface *Mak* resembles many recent TV movies that have dealt eloquently with special emotional problems and diseases. However, *Mak* is surprisingly and immensely moving, even when it ultimately falls into the trap of sentimentality. What is amazing about this movie is just how long it takes that

topic. But has home life in *Mak* most others he never knew his father and his mother, Sherry (Cher), is a "father lady" who is also a victim of the 1960s drug culture.

The special relationship between mother and son—and the two powerful performances by Sara and Cher—give *Mak* the unique emotional potency. Rocky is born between his maternal responsibilities of disciplining and nurturing. When Rocky gets out of hand, the mother goes into his self-pity. But when he suffers his debilitating headaches from the crush of so much emotion visible in his head, she cradles and comforts him. Their life together has a seamless dynamic, she is his protector, but he is also hers. Rocky wants a real home and a father. He desperately wants to wear off all of his scars and is certain that he has potential in a special way. He is a victim of his condition, but his heart, fight, acceptance and shared joys point a picture of a parent-child relationship that is uniquely touching.

In her perspective and rarely intelligent script, Anna Hamilton Phelan has passionately captured the bond between the female parent and the male child. When Rocky goes for a girlfriend, Rocky is well meaning but understanding she brings him home a prostitute. But Rocky wants much more—he wants to be in love. For the most part, director Peter Bogdanovich (*The Last Picture Show*) concentrates with surprising directness on the complex bond between Rocky and Sherry. But he and the script

run into difficulty when dealing with Rocky's adoptive family, a stereotypical gangster tough as good as a Tupperware gathering. And when the movie dwells on Rocky's estrangement from his own father (Richard Dreyfuss) it never clearly defines what separation this. The viewer becomes impatient to return to the emotional world shared by Rocky and Sherry.

Underneath his elaborate and convincing makeup, Sherry draws the audience into Rocky's inner world. In school, when he describes to his excited, peering class the legend of the Trojan War and talks about Cleopatra's famous face that launched a thousand ships, the audience is as awed as his classmates are. As the little and insecure Rocky, Cher displays an overwhelming force of feeling, she turns the character into a wall of convincing maternal emotion. Sherry has a double addiction—to cocaine and to her son. And the time-haired Cher has never looked so hypocritically beautiful.

As long as Bogdanovich keeps his camera focused on Rocky and Sherry, *Mak* is never less than superb. The movie does turn to trouble toward the end when Rocky meets a blind girl. But by that point viewers will be too overcome to care. *Mak* has succeeded in making Rocky all too heartbreakingly normal. —LORENZO LITTELL

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- 3 *The Yolkman*, *King and Street* (2)
- 4 *Strong Medicine*, *Wally* (1)
- 5 *The Fourth Protocol*, *Foreign* (1)
- 6 *So long, and thanks for all the fish*, Adams (1)
- 7 *Family Affairs*, *Steel*
- 8 *Shore Duty Creek*, *Wanted* (7)
- 9 *First Among Equals*, *Archer* (1)
- 10 *Thinner*, *Beckman*

### Nonfiction

- 1 *James, James with Moss* (1)
- 2 *Officer Sanchez*, *Dravos* (1)
- 3 *What They Don't Teach You at Harvard Business School*, *McGraw-Hill* (1)
- 4 *Revelations with Einstein*, *Stratford* (1)
- 5 *The Troubles*, *Inside Canada's Black Markets*, *Rice* (1)
- 6 *Living Rock*, *Robert*, *Stravinsky* (1)
- 7 *The Promised Land*, *Stravinsky* (1)
- 8 *A Day in the Life of Canada*, *Edited by Cohen* (1)
- 9 *Revelations with Einstein*, *Stratford* (1)
- 10 *Tizen*, *A Kicker*, *Sherry*, *Williams* with *Garland* (1)

(1) Previews last week

# A naughty Yankee's challenge

By Allan Fotheringham

Canada is going to have to shape up—Mr. Andrew Malcolm. Andrew Malcolm, the naughty lad, has put a challenge to Canada. It is up to different Canadians to see if they can match up to Mr. Malcolm's goaded gambit. We are being put to the test. It will be clear, if we fail, that we have been found wanting. No tears, no sniffing, it will simply be apparent that we do not measure up.

Andrew Malcolm is a New York Times correspondent who is currently being passed from hand to hand on American network talk shows as an author, his fame being something called *The Canadians*. The initial printing is 50,000 copies, and there is a distinct danger that—Malcolm's main theme—Americans may suffer a faint interest in Canada after all these decades of blissful indifference.

Malcolm, you must understand, is not exactly an objective observer. His parables were Canadian (he spent so much time as a youth shuffling between the countries it never occurred to him that there was a border). It seemed to him he was just writing two sets of relations. It's why this interesting book reveals he thinks Canadians are so much like Americans—and so different.

First of all, he's a fan. He thinks Canada is "one of the world's best-kept secrets." He is sure to mention in his book the facts with which line is the fact that Canada, out to west across 1315 km, spans one-quarter of the world's time zones, and "scattered across that area like a few specks of pepper on a huge frozen-roast floor are the people, huddling together along the porous border with the United States."

Malcolm is a nice guy, 41, with an inconspicuous handlebar mustache (reminiscent of an HG Wells type) that wants to make you double him. He was the French hornist chief (so he was in charge of himself) in Toronto for four years. He knows his country. He notes that whenever he did pieces on the Co-

lumbia North for his New York bosses, Canadian papers invariably bought them—because Canadian papers don't cover their own country.

He has a perfect eye for Ottawa: "the plain, cold, old canal town chosen as the nation's compromise capital by a Queen named Victoria who never saw the country, remains a cold, old canal town—a frustrated federal government isolated from the country by geography and its own sense of self-importance."

When you're dealing with this fuzzy country, life imitates art. Malcolm's mother, with her Canadian roots, told

30-mins to phone that Malcolm with his funny mustache is good at catching the nuances of this fuzzy country. He quotes John Birch, the terrible-sounding Hungarian emigrant who runs the Rustford Festival, as saying that if he had enough money he would send Canada to a shrink for 50 years. John Gray, who wrote that brilliant stage piece about Billy Bishop, calls his Canada "a kind of Woody Allen of nations." Malcolm wonders about a country that would name its professional football trophy the Grey Cup. Someone says, "If you close your eyes and think of a naked

Anna Mermy, parts of her always come out airbrushed."

Malcolm is obsessed with the North, intrigued by dog towns and drilling beneath the ice of the Arctic, puzzling why he is often the only reporter chasing these stories...which is rather like, when you think about it, why American reporters covering the White House never venture two blocks left to notice the black ghetto that covers most of the capital.

The views of Malcolm, the high-level American-Canadian, are particularly apt as we approach the meeting of the two stage boys, Reagan and Mulroney, at the hockey Sheraton Forum in Quebec City on St. Patrick's Day.

His most provocative stuff is a warning to Canadians: Americans are becoming interested in them. They are becoming aware that a new aggressive breed of Canadian capitalists—disturbed in England number—are invading U.S. territory and it is all a joke, Mr. Malcolm somewhere compensating for the fact the United States has owned this country since our latest great war.

Malcolm's thesis is an interesting one: since Americans are now suddenly and seriously interested in Canada, can we shape up?

Can we stop whining about American lack of interest and instead perform? What, if, he says over lunch, his countrymen discover that this is a second-rate operation after all? What if?

The whitest line in the book is the dedication, to his wife: "For Connie, eh?"



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